

**FEDERAL BUREAU OF INVESTIGATION**  
**FREEDOM OF INFORMATION/PRIVACY ACTS SECTION**

**SUBJECT: FRANK COSTELLO**  
**FILE NUMBER: 62-76543 SECTION 1**

*memorandum*

UNITED STATES GOVERNMENT

Director, FBI

5852

DATE: August 19, 1944

SAC, New York

SUBJECT: FRANK COSTELLO  
INFORMATION CONCERNING

It is respectfully requested that this office be furnished photo-  
static copies of the income tax returns for 1939, 1940, 1941, 1942 and  
1943 of FRANK COSTELLO, 115 Central Park West, New York City. COSTELLO  
has no business address.

SE 14

RECORDED

37 AUG 23 1944

EX-24

*let's see  
if we can  
get it  
by 8/24/44  
FBI*

*1162-76543*  
*FBI*

62-76543-1  
August 31, 1944

5853

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EX-124  
The Honorable,  
The Secretary of the Treasury  
Washington, D. C.

My dear Mr. Secretary:

In connection with an official investigation being conducted by the Federal Bureau of Investigation of the Department of Justice, it is requested that you furnish uncertified photostatic copies of the income tax returns and related documents filed for 1939, 1940, 1941, 1942 and 1943 by the following individual:

Mr. Frank Costello  
115 Central Park West  
New York, New York

Sincerely yours,

(signed) Francis Biddle  
Attorney General

Mr. Tolson \_\_\_\_\_  
Mr. E. A. Tamm \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Coffey \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Carson \_\_\_\_\_  
Mr. Hendon \_\_\_\_\_  
Mr. Mumford \_\_\_\_\_  
Mr. Jones \_\_\_\_\_  
Mr. Quinn Tamm \_\_\_\_\_  
Mr. Nease \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

SIGNED AND MAILED  
AUG 31 1944  
DIVISION OF RECORDS  
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# FEDERAL BUREAU OF INVESTIGATION

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62-76543-3  
RECORDED SAC, New York

October 25, 1944

EX-8

J. Edgar Hoover - Director, Federal Bureau of Investigation

FRANK COSTELLO  
INFORMATION CONCERNING

Reference is made to your letter dated August 19, 1944, requesting the Bureau to obtain photostatic copies of the income tax returns for 1939, 1940, 1941, 1942 and 1943 of Frank Costello, 115 Central Park West, New York City.

Enclosed herewith are copies of the income tax returns of this individual for 1940, 1941 and 1942 and of the joint income and Victory Tax return of Frank Costello and Loretta B. Costello for the year 1943. The Treasury Department has advised that the Bureau's request for a copy of the return for the year 1939 will be made the subject of a future communication.

Enclosure

COMMUNICATIONS SECTION  
MAILED 8  
OCT 25 1944 P.M.  
FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
9 OCT 30 1944

**Federal Bureau of Investigation**  
**United States Department of Justice**  
New York - New York

November 2, 1944.

Director, FBI.

Re: <sup>(C)</sup> FRANK COSTELLO, with aliases.  
MISCELLANEOUS - INFORMATION CONCERNING

Dear Sir:

There is being rendered to the Bureau report of Special Agent [redacted] at New York, dated October 26, 1944, entitled as above.

The report is not rendered because we have any investigation pending on COSTELLO. The purpose of the report is to assemble all information immediately available regarding Frank Costello, who is generally considered as the most influential underworld character in New York City, in order that the Bureau and the New York City Office might have readily available information regarding his background should an investigation be conducted at any time in the future.

Very truly yours,  
E. E. CONROY  
SAC

Enclosure



58 JAN 11 1945

EX-227

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38 NOV 6

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT **NEW YORK, NEW YORK**

NY FILE NO. **62-8257 MRG**

REPORT MADE AT <b>NEW YORK, NEW YORK</b>	DATE WHEN MADE <b>10/26/44</b>	PERIOD FOR WHICH MADE <b>9/6-10/12/44</b>	REPORT MADE BY [REDACTED] <b>b7C</b>
TITLE <b>FRANK COSTELLO, with aliases: Frank Saverio, Francesco Saverio, [REDACTED] b7D</b>			CHARACTER OF CASE <b>MISCELLANEOUS INFORMATION CONCERNING</b>

SYNOPSIS OF FACTS: **COSTELLO born in Calabria, Italy, in 1893.**

[REDACTED] **b7C b7D**  
[REDACTED] He was indicted at New York City, November 18, 1926, on charge of conspiracy to violate Prohibition Amendment; found not guilty January 20, 1927. He later became known as slot machine king.

[REDACTED] **b7C b7D**  
[REDACTED] **COSTELLO indicted, with NOEL SCAFFA and others, at New York City on June 7, 1935, for violation of National Stolen Property Act; not-prossed June 3, 1937. He was indicted at New Orleans October 9, 1939 with PHIL KASTEL and others, for violation of Income Tax Laws; acquitted. In August, 1943, Magistrate THOMAS A. AURELIO promised COSTELLO his undying loyalty for COSTELLO's assistance in securing AURELIO's nomination for Justice of Supreme Court of New York.**

[REDACTED] **b7C b7D**  
[REDACTED] He resides at 115 Central Park West, New York City, and owns real estate.

APPROVED AND FORWARDED: *[Signature]*

SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES **ENCLOSURE** **18**

COPIES OF THIS REPORT

**3 - Bureau  
5 - New York (1-NY 94-419)**

**62-76543-14**  
**F B I**  
**38 NOV 6 1944**

RECORDED & INDEXED **44**

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**DETAILS:** The information contained in this report was obtained from a review of the files of the New York Office.

## HISTORY

FRANK COSTELLO was born in Calabria, Italy, in 1893. His mother's maiden name was SAVERIO, and his father's name was STELLO or CASTELLANO. The time of COSTELLO's arrival in the United States is not known.

**LTD**

b2c

- 3 -

NY 62-8257

b7C  
D

in New York City from 1928 until 1933. In 1931 he and PHIL KASTEL organized the MIDTOWN NOVELTY COMPANY. The offices of this company were located at 1860 Broadway, New York City. COSTELLO explained the ownership of the MIDTOWN NOVELTY COMPANY by stating KASTEL had a 100% interest and that he had a 50% interest in KASTEL's ownership.

[REDACTED]

b2D,  
C

The MIDTOWN NOVELTY COMPANY through a suit brought by the Mills Novelty Company secured an injunction in Federal Court in 1931, against the seizing of their slot machines. This injunction remained in effect until 1933, at which time, as a result of an appeal by the City of New York in the United States Circuit Court of Appeals, the injunction was revoked and the machines operated by the MIDTOWN NOVELTY Company were seized by the New York City Police Department.

[REDACTED]



NY 62-8257

b7C,  
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On June 7, 1935, COSTELLO was indicted by a Federal Grand Jury at New York City for violation of the National Stolen Property Act. The following individuals were indicted with him at this time: NOEL CHARLES SCAFFA; NICHOLAS MONTONE; CHARLES CALI; ALBERT W. CONTENTO, alias Al Howard; CHARLES ALVIN STERN, alias "Broadway Charlie Stern"; and PASQUALE TESORIERE, alias Patsy Dyke. The facts in connection with this offense are that on January 26, 1935, MONTONE and CALI held up and robbed HARRY CONTENT and Mrs. MARGARET BELL of New York City at the Miami-Biltmore Hotel in Coral Gables, Florida, taking from them pearls, diamonds, and other jewelry valued at \$185.150.

b7D, C -

b7D  
C [REDACTED] All of the defendants mentioned above were indicted for the interstate transportation of this jewelry, and also for conspiracy. The indictments as to COSTELLO were nol-prossed on June 3, 1937.

On October 9, 1939, COSTELLO was indicted by a Federal Grand Jury at New Orleans, Louisiana, charged with violating the income tax laws. He was arrested the same date in New York City and was released under \$75,000.00 bail, which bond was secured by the United States Fidelity and Guaranty Company. The bond was subsequently reduced to \$40,000.00, and the case was tried on May 15, 1940, when COSTELLO was found not guilty. In addition to COSTELLO, this indictment was returned against [REDACTED] b7C

On July 13, 1940, suit was filed in Federal Court at New Orleans against COSTELLO, to recover income taxes, and judgments were rendered against him in the following sums: On July 3, 1942, judgment for \$5,266.00 against FRANK COSTELLO; on July 20, 1943, judgment for \$15,562.00, being taxes and interest against FRANK COSTELLO and his wife, LORETTA B. COSTELLO; and also on July 20, 1943, judgment for \$2,024.00 against LORETTA B. COSTELLO, for income taxes and interest. These judgments are still of record, although some of the unpaid taxes have since been paid off in installments.

b7C  
D [REDACTED] It is to be noted that COSTELLO has admitted he paid neither Federal nor State income taxes from 1919 until 1932, when he arranged to settle both of them. He said he paid \$305,000.00 to New York State, but did not disclose how much he paid the Federal Government.

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NY 62-8257

b7D [REDACTED] the City of New York instituted proceedings to have the night club license of the Copacabana revoked. The hearing resulted in the revocation of the license of the Copacabana and the granting of a temporary one for six months, the Copacabana binding itself to terminate any connection that COSTELLO may have had with the club. It is noted, however, that during the hearing it was denied that COSTELLO had an interest in the Copacabana whatsoever. COSTELLO was subpoenaed to appear at this hearing, but he refused to testify.

On May 23, 1944, the properties known as 79-89 Wall Street, 148-152 Pearl Street, and 114-16 Water Street were purchased by the 79 Wall Street Corporation, a real estate holding company with an office at 30 Broad Street, of which COSTELLO is president and his wife, LORETTA B. COSTELLO vice-president and secretary. This property is assessed at \$512,000.00 and was purchased subject to a mortgage of \$249,483.00.

COSTELLO resides at 115 Central Park West, New York City, and on May 13, 1944, he purchased, in his wife's name, a twelve room house on Barker's Point Road near Sands Point Road, Sands Point, Long Island, as a summer residence.

b7C, D [REDACTED]

BUSINESS CONNECTIONS

MIDTOWN NOVELTY COMPANY

[REDACTED]

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79 WALL STREET CORPORATION

A certificate of incorporation for the 79 Wall Street Corporation was filed on April 21, 1944, with the Secretary of State of New York by BLANCHE WOLF, 30 Broad Street; HARRY SHAPIRO, 261 Broadway; and GEORGE WOLF, 30 Broad Street, all New York City, who were listed as directors. GEORGE WOLF is COSTELLO's present attorney, and BLANCHE WOLF is the daughter of GEORGE WOLF. FRANK COSTELLO is the president of this corporation, and his wife, LORETTA B. COSTELLO is the vice-president and secretary. The corporation is a real estate holding company and has an office listed at 30 Broad Street, address of GEORGE WOLF. On May 23, 1944, the properties known as 79-89 Wall Street, 148-152 Pearl Street, and 11416 Water Street in New York City were purchased by this corporation. This property is assessed at \$512,000.00

POLITICAL CONNECTIONS

Tammany Hall

On August 23, 1943, the Democratic Judicial Convention of the First Judicial District, comprising the counties of the Bronx and New York, nominated Magistrate THOMAS A. AURELIO as one of their candidates for Justice of the Supreme Court in that district. On the following day the Republican Judicial Convention for that district made a similar nomination of Magistrate AURELIO. Four days later District attorney FRANK S. HOGAN of New York County publicly disclosed that on the morning after Magistrate AURELIO received the Democratic nomination, he telephoned to FRANK COSTELLO on COSTELLO's private, unlisted telephone. The principal part of this conversation was as follows:

AURELIO: Good morning, FRANCESCO, how are you?  
And thanks for everything.

COSTELLO: Congratulations! It went over perfect. When I tell you something is in the bag, you can rest assured.

NY 62-8257


AURELIO: It was perfect. Right now I want to assure you of my loyalty for all you have done. It is undying.

COSTELLO: I know. I'll see you soon.

It is noted that the surveillance on COSTELLO's telephone by the District Attorney of New York County was placed in connection with the investigation of the CARLO TRESCA murder in New York City.

AURELIO subsequently admitted the above conversation but claimed he did not know that COSTELLO was engaged in illegal activities. Following the revelation that the Democratic nomination of AURELIO had been procured by COSTELLO, the committee on vacancies of both the Democratic and the Republican Parties declared the nomination vacant and attempted to nominate other candidates for the office. AURELIO then appealed to the courts, which upheld his legal right to remain on the ballot, and in November, 1943, AURELIO was elected to the position of Justice of the Supreme Court.

During the course of unsuccessful disbarment proceedings instituted against AURELIO, COSTELLO admitted he had helped AURELIO win the Democratic nomination for the Supreme Court, and also that he had assisted MICHAEL J. KENNEDY to win the leadership of Tammany.



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NY 62-8257

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ATTORNEYS

LOUIS HALL, 60 Wall Street, New York City, represented COSTELLO during the prohibition period.

MOSES POLAKOFF, 475 Fifth Avenue, New York City, represented COSTELLO in 1935, when he was indicted for violation of the National Stolen Property Act.



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NY 62-8257

GEORGE WOLF, 30 Broad Street, New York City, is COSTELLO's present attorney.

RESIDENCES

[REDACTED]

Subsequent to this time COSTELLO resided at 115 Central Park West, New York City. He still maintains this address. b7C D

On May 13, 1944, COSTELLO purchased a twelve-room, white brick house on Barker's Point Road near Sands Point Road, Sands Point, Long Island, New York, as a permanent residence.

[REDACTED]

DESCRIPTION

[REDACTED]

Name:

FRANK COSTELLO, with aliases:  
Frank Saverio, Francesco Saverio,  
Murray H. Hoffman  
51 years (Born in Calabria, Italy,  
in 1893)

Age:

Height:

5' 7"



[REDACTED] b7c

COSTELLO has been described as a good golfer, formerly shooting in the 80's. He is a member of the Pononok Country Club, Casino Boulevard, Flushing, Long Island, and has played golf there about once a week. He formerly belonged to the Lakeville Golf and Country Club, Great Neck, Long Island.

RELATIVES

COSTELLO's wife, LORETTA B. COSTELLO, resides with him.

[REDACTED] b7c

CRIMINAL RECORD

The Bureau has furnished the following criminal record for COSTELLO, who is FBI #936,217:

He was arrested May 6, 1908, by the New York City Police Department on a charge of assault and robbery, and was discharged.

He was arrested on March 11, 1915, by the New York City Police Department on a charge of possession of a revolver, and on April 5, 1915, he was sentenced to serve one year in the penitentiary.

He was arrested on May 21, 1935, by the New York City Police Department on a charge of conspiracy, which concerns the National stolen Property Act case previously referred to, which case was not processed by the Government.

In addition to the above, COSTELLO was indicted at New York City on November 18, 1926, on a charge of conspiracy to violate the Prohibition Amendment, and was found not guilty on January 20, 1927.

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INDICATE

V. 14/60

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RECEIVED - MEMPHIS  
JUN 10 1964



New York, N.Y.  
December 1, 1944

Mr. Hoover:

*only*  
The name of Frank Costello arises whenever there is any general conversation of the underworld of New York City. He unquestionably is its most influential member and his influence extends throughout the entire United States. Sometime past I had a report rendered to the Bureau on him, setting forth all of his background that was available to this office in order that same might be used for ready reference should any occasion arise where he might be under investigation by the Bureau.

For your information there is being attached hereto memorandum of Special Agent [redacted] dated November 24, 1944 which summarizes the available information about Costello. I thought you might be interested in perusing it.

*b7c*  
*E. E. Conroy*  
E. E. CONROY

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62-76543-6  
DEC 14 1944

November 24, 1944

RE: FRANK COSTELLO

In this year, says COSTELLO, was a pipefitter, and he later operated a saloon. He was first arrested by the New York City Police Department at the age of 15, on a charge of assault and robbery. COSTELLO was arrested on four other occasions. His only conviction was on April 5, 1915, when he was sentenced to serve one year in the penitentiary on a charge of possession of a revolver.

During Prohibition, COSTELLO was engaged in bootlegging and was known as one of New York's "Big 6", a group composed of the recognized leading racketeers in the East. From bootlegging COSTELLO branched into gambling, including bookmaking and the slot machine racket. He became known as the slot machine king of the United States, and admittedly operated five hundred machines in New York City from 1928 until 1933.



62-76543-6  
ENCLOSURE

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MEMORANDUM

November 24, 1944

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D,

[REDACTED]

COSTELLO was indicted in 1935 in the NOEL SCAFFA case investigated by the Bureau, involving the transportation of stolen jewelry, but the indictment was later nol-pressed.

COSTELLO's partner in his various enterprises has been one PHIL KASTEL. It is interesting to note that COSTELLO's name never appears on record in connection with these enterprises. COSTELLO's explanation of this ownership arrangement is that he has a "piece" of KASTEL, so that he will get a percentage of KASTEL's share of the profits.

For the calendar year 1943, COSTELLO reported only approximately \$60,000.00 on his Federal income tax return as total income. On his income tax returns for recent years examined, the only shown source of income has been COSTELLO's New Orleans enterprise.

b7D,  
C



[REDACTED] COSTELLO has admitted he paid neither Federal nor State income taxes from 1919 until 1932. He said he later paid \$305,000.00 to New York State in settlement, but did not disclose how much he paid the Federal Government. In 1939 COSTELLO was indicted for violation of the income tax laws, but he was found not guilty.

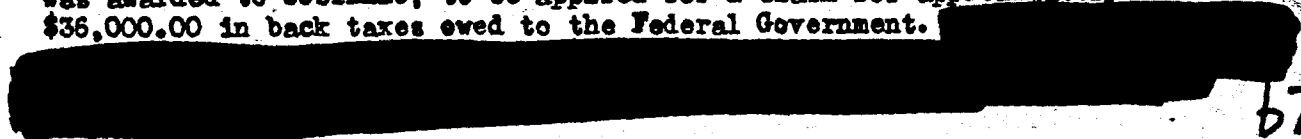
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MEMORANDUM

November 24, 1944

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As a result, the license of the Copacabana has been revoked and a temporary permit for six months has been granted, the Copacabana binding itself to terminate any connection that COSTELLO may have had with the club. However, it is noted that during the hearing on this license revocation it was denied that COSTELLO had any interest in the Copacabana whatsoever.

COSTELLO received a great deal of publicity in June, 1944, in connection with his leaving the sum of \$27,200.00 in a cab which he had taken from the New Yorker Hotel to the Sherry Netherland Hotel. He later laid claim to this money at the New York City Police Department, where it had been taken by the cab driver. This claim was first refused, on the grounds that COSTELLO had not proved the funds were obtained legally. On appeal to the courts, this money was awarded to COSTELLO, to be applied for a claim for approximately \$36,000.00 in back taxes owed to the Federal Government.  


COSTELLO resides at 115 Central Park West and also has a summer residence on Barker's Point Road near Sands Point Road, Sands Point, Long Island. Through a corporation known as the 79 Wall Street Corporation, COSTELLO owns real estate in downtown New York City assessed at \$512,000.00.  


Special Agent  b7C

The Attorney General

July 20, 1946

Director, FBI

FRANK COSTELLO

In accordance with your request, I am submitting some background information concerning Frank Costello, which we have available in our files.

Costello was born in Calabria, Italy, in 1891, and in his youth was a pipe fitter, later operating a saloon.

He has been arrested on four other occasions but his only conviction, according to our records, occurred on April 5, 1915, when he was sentenced to serve one year on the charge of possessing a revolver. Our investigation concerning this

He next embarked into gambling activities including bookmaking and slot machine operations becoming known as the slot machine king of the United States.

According to newspaper stories, it was subsequently arranged between Senator Long and Costello to place slot machines in New Orleans, Louisiana. At the time it was Senator Long's contention that he wanted to raise about \$25,000 to \$30,000 each year to devote to a fund for the blind. It was planned that this would be raised through a tax of \$30 per annum on each machine. Senator Long died before this scheme was placed in operation; however, a city ordinance was later passed in New Orleans requiring the payment of \$30 on each slot machine maintained there.

Costello appears to possess considerable political influence. According to newspaper accounts, on August 24, 1943, the day after Thomas A. B. [redacted] received the Democratic nomination for the position of Justice of the Supreme Court of the United States, Costello telephoned to Costello on

8/19/46

V. G. [signature] H. [signature] J. [signature]

**The Attorney General**

the latter's unlisted telephone line and pledged undying loyalty to Costello for the latter's assistance in securing Aurelio's nomination. The District Attorney's Office of New York County had placed a surveillance on Costello's telephone in connection with a murder investigation they were conducting and developed this information. Newspaper reports indicate that Costello helped Aurelio win the nomination and also that he did assist Michael J. Kennedy to win the leadership of Tammany Hall after his first election. Representative James H. Fay, was found to be out of the running; that Costello influenced the following District leaders described as old personal friends to vote for Kennedy: Paul F. Sarubbi of the First Assembly District, John De Galvio, better known as Jimmy Kelly, night club owner and leader of the Second Assembly District, Abraham Rosenthal, leader of the Eighth Assembly District, and Clarence H. Neal, Jr., leader of the Twentieth Assembly District. Costello has also stated that he used his influence with these same four leaders, Michael J. Kennedy, and Bert Stand to secure the Supreme Court nomination for Aurelio.

It is reported, according to the press, that Costello is a friend of James "Jimmy" Hines, Tammany Hall politician, who was convicted in New York as a result of his involvement with the Dutch Schultz Gang. Costello, likewise, was also said to have been acquainted with Tom "Boss" Pendergast of Kansas City, Missouri, and to have met him on various occasions.

[REDACTED] b7c  
News stories have stated that Costello controls the 79 Wall Street Corporation which owns real estate assessed at more than \$500,000.

Costello received considerable publicity in June, 1944, in connection with his leaving \$27,200 in a taxicab while going from the New Yorker Hotel to the Sherry Netherland Hotel. When he attempted to claim this money at the New York City Police Department, he was denied it, according to press accounts, on the grounds that it had been originally obtained illegally by him. On appeal to the courts, the money was awarded to Costello with the proviso that it was to be applied to a claim of approximately \$36,000 in back taxes owed to the Federal Government. Recent information indicates that this matter is still under litigation.

[REDACTED] b7c  
Costello resides at 115 Central Park West and also has a summer residence on Barker's Point Road, Sands Point, Long Island.  
[REDACTED]



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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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FR  
A

Board of Trade in the Mayflower Hotel.  
Sixty director who will serve on the board during the coming year, were elected.  
**Urges Better Life**  
In his address, Bradford outlined a nine-point program for American business, the functions of which, he said, were inseparable from the rest of the social order.  
"Labor, agriculture, industry, the professions—all these, along with business, need desperately to make common cause in the development of our resources, in the further elevation of our living standards."

# Senators Fight Plan for More Labor Curbs

By Associated Press  
A Democratic minority of the Senate Labor committee opened war yesterday on the announced drive to put more teeth in the committee's labor bill now before the Senate.  
Senators Thomas of Utah, Pep-

Navy yesterday to produce any secret plans proposing to reduce the Marine Corps to a "parade outfit." At the same time Secretary of War Patterson was assuring the House that there is no reason to fear the leathernecks are washed up as fighters.  
Concern over the Marine Corps' future under proposed unification of the armed services—voiced first by their own commandant, Gen. Vandegrift,—blossomed suddenly on both sides of the Capitol.  
**Robertson Wins**  
The Senate committee yielded to the demands of Sen. Robertson (R.) of Wyoming, strong foe of unification, that the war and Navy secretaries be asked to

- Mr. Jones
- Mr. Leonard
- Mr. Penning
- Mr. Quinn T
- Mr. Nease
- Miss Gandy

## 'Research' Dodge Used to Deprive U.S. Of Millions in Taxes

T-H 4/25/47 (3)

Corporation in Capital Was Awarded Ship Contracts by Underbidding Rivals

By JAMES WALTER  
(Copyright, 1947, by the Washington Times-Herald)

A new war-contract scandal destined to stagger official Washington with the enormity of its ramifications was revealed to this newspaper last night when Frank Costello, New York racket king and Tammany power, was named as the secret boss of a fantastic wartime manufacturing network that dodged millions of dollars in taxes by operating as a "nonprofit research organization."  
Vice Adm. William W. Smith, U.S.N. (Ret.), chairman of the Maritime Commission—one of the Federal agencies which dealt with the network—told the Times-Herald that Costello, whom he described as "the slot machine king," was the undercover head of the cartel's parent organization, which is located in the District.

### Rivals Underbid on War Contracts

Smith identified Costello as the controlling power behind the Aerodynamics Research Corp., whose Washington offices are in the Tower building.  
It was through this parent "non-profit research organization" that the manufacturing network operated, underbidding competitors on war contracts because of the "tax-free" nature of Aero.  
"So carefully was the real activity of Costello's cartel obscured that Government experts from several agencies were apparently baffled throughout the war years.  
It is known, however, that subsidiary companies operating under Aerodynamics Research Corp. received at least \$12,000,000 in U.S. contracts. Contracts were also let through Aero by the Army, but the extent of these will not be known until records are more fully examined."

### Justice Dept. Gets Case

Information that Costello was the secret head of Aero and the tax-dodging manufacturing combine "has come to me from several sources," Smith told this newspaper, "and I have turned the matter over to the Department of Justice."

However, virtually every Federal law enforcement agency in Washington already has been called into the investigation, and at least two congressional committees are delving into the case. Now trying to untangle the maze of intrigue behind Costello's cartel are the FBI, the Treasury Department, the Internal Revenue bureau, the Navy department and the Maritime commission.

### Tax Lien Filed

The first indication that the Government was preparing to unload a broadside at Costello, an elusive target for both the Justice and Treasury departments for almost 20 years, came when the Internal Revenue bureau filed a tax lien against Aerodynamics Research corporation for \$2,113,199.86 early this month. The lien was

for income and excess profits taxes due the Government as a result of war contracts granted subsidiary companies of Aero.

A spokesman for the Treasury's Bureau of Internal Revenue described the sprawling empire fronted by Aero as a "maze of intrigue that has astounded the oldest men on the force."

file

WASHINGTON TIMES HERALD  
DATE 4-25-47

62-76543-9

Mr. Tolson  
Mr. E. A.  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Carson  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Hendon  
Mr. Jones  
Mr. Leonard  
Mr. Penning  
Mr. Quinn T  
Mr. Nease  
Miss Gandy

Incorporated in 1931

Aero was incorporated in the District Oct. 24, 1941, as a "non-profit organization established for scientific research."

After the incorporation, the stock of three recognized manufacturing plants was purchased, and it is believed a controlling interest in a fourth was secured.

All of the manufacturing firms operating under the "tax-free" Aero outfit occupy the same offices in the Tower Building, and Aero officials are in controlling executive positions in at least two of the firms.

The Maritime Commission first began investigating operations of the Kensington Shipyard and Drydock Co., one of the Aero subsidiaries, several months ago after the firm was awarded a contract for conversion of the U. S. ships Todd and Woodford.

Work began lagging, and Maritime Commission investigators were sent to the yard. James L. Bates, managing director of the commission's technical department, reported:

"Joseph E. Shady, president of Kensington, has indicated that as



VICE ADM. SMITH, U.S.N. (Ret.)

a result of a jeopardy tax assessment in the amount of approximately \$1,600,000 levied by the Commissioner of Internal Revenue against its parent company, Aerodynamics Research Corp., Kensington finds itself in a position whereby it is unable to obtain the necessary working capital for the completion of the conversion of the Todd and Woodford.

#### Contracts Bonded

"These contracts are bonded by the Maryland Casualty Co., of Baltimore," he continued, "in the amount of 25 per cent of the contract prices for performance and 50 per cent of the contract prices for payment of labor and material."

Bates presented two possible courses of action: (1) Taking steps to establish that Kensington was in default under its contract and terminating them for such default, and the re-advertising for new bids; or (2) working out an arrangement whereby the yard would be permitted to complete the reconversion.

Asserting that the Maritime commission would be subject to a smaller over-all loss if it permitted the yard to go ahead with the project under the supervision of the surety company, Bates announced the latter course of ac-

tion, and the commission accepted.

Kenneth Lloyd, vice president of Maryland Casualty which bonded the contracts, told this newspaper:

"We have been writing bonds for this old-established company (Kensington) for a number of years, but now—this last deal—it looks like we were taken in."

"We feel we have no chance of getting our money back unless we locate the real owners of Aerodynamics. They have covered their tracks almost completely."

#### Got Two War Contracts

According to the Navy department, Kensington was awarded two contracts during the war. These were known as "open-end" contracts for the repair and alteration of ships, and no amount was set on either.

Another Aero subsidiary, the Air-Track manufacturing plant at College Park received more than \$12,000,000 in Navy contracts during the war for the manufacture of navigation and radio precision instruments and similar apparatus and won a Navy "E" award. J.C. Richardson, its personnel director and purchasing agent, said yesterday the firm is "totally owned" by Aero, but that it has its own officers.

Air-Track also had contracts from the War department, as did another Aero company.

Rear Adm. M. L. Ring of the Navy department disclosed that some 50 contracts were given to Air-Track and that eight were awarded under the name of the Aerodynamics Research Corp.

#### Maritime Board Shakeup Seen

A thorough housecleaning at the Maritime Commission was forecast by Smith as a result of the discovery of Costello's tentacles in the shipbuilding field.

"I have been informed that Mike Kennedy has several contacts in the commission," he said. "I would like to know who these people are."

The "Mike Kennedy" to whom Smith referred is a former congressman from New York who has been involved in Tammany politics and is reportedly one of Costello's acquaintances.

Smith said he has learned Kennedy is "very close" to a Bayonne, N. J., shipyard operator and that the former congressman "has an interest in the shipyard."

Chairman Bradley (R) of Mich-

igan, of the House Merchant Marine and Fisheries Committee, said last night that Adm. Smith gave him the "whole story of the Aerodynamics case" several days ago, and that committee investigators were assigned to the case immediately.

Bradley declared that Smith told him "We're in a hell of a fix down there—at the Maritime



FRANK COSTELLO

Commission)—Frank Costello, the "slot machine man" owns Aerodynamics Research Corp.

George Meader, counsel for the Senate War Investigating Committee, said his staff is "studying all of the information."

Smith was named last June to fill the unexpired term of Vice Adm. Emory S. Smith as Maritime Commission chairman.

62-76543-9

# U.S. Invest. Bureau Naturalization Of Frank Costello

May, 1942

Assembly, 1925

The House of Representatives, in its resolution of May 1, 1942, passed a resolution providing for the investigation of the naturalization of Frank Costello, who was naturalized in 1925.

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Mr. E. A. Tamm	
Mr. Clegg	
Mr. Coffey	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	

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N. Y. *World Telegram*

DATED APR 17 1942

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Various accounts in New York City newspapers reported the following information:

On August 23, 1943, the Democratic Judicial Convention of the First Judicial District, comprising the counties of the Bronx and New York, nominated Magistrate THOMAS A. AURELIO as one of their candidates for Justice

of the Supreme Court in that district. On the following day, the Republican Judicial Convention for that district made a similar nomination of Magistrate AURELIO. Four days later, District Attorney FRANK S. HOGAN of New York County publicly disclosed that on the morning after Magistrate AURELIO received the Democratic nomination, he telephoned to FRANK COSTELLO on COSTELLO's private, unlisted telephone. The principal part of this conversation was as follows:

AURELIO: Good morning, FRANCESCO, how are you? And thanks for everything.

COSTELLO: Congratulations! It went over perfect. When I tell you something is in the bag, you can rest assured.

AURELIO: It was perfect. Right now I want to assure you of my loyalty for all you have done. It is undying.

COSTELLO: I know. I'll see you soon.

AURELIO subsequently admitted the above conversation, but claimed he did not know that COSTELLO was engaged in illegal activities. Following the revelation that the Democratic nomination of AURELIO had been procured by COSTELLO, the committee on vacancies of both the Democratic and the Republican Parties declared the nomination vacant and attempted to nominate other candidates for the office. AURELIO then appealed to the courts, which upheld his legal right to remain on the ballot, and in November 1943, AURELIO was elected to the position of Justice of the Supreme Court.

During the course of unsuccessful disbarment proceedings instituted against AURELIO, COSTELLO admitted he had helped AURELIO win the Democratic nomination for the Supreme Court, and also that he had assisted MICHAEL J. KENNEDY to win the leadership of Tammany.

Various accounts in New York City newspapers, during the year 1944, reported that COSTELLO and JOE ADONIS ran the "Big Hall", a gambling establishment in Cliffside Park, New Jersey, until the day before it was raided by representatives from the Bergen County, New Jersey Prosecutor's Office, and that the night before the raid, the paraphernalia



*in file*

was moved, indicating a "tip off" had been given in advance of the raid. It was further alleged that COSTELLO and ADONIS make Bergen County Headquarters for their gambling activities. COSTELLO and ADONIS were reportedly together at Duke's Restaurant, a notorious racketeer hangout in Palisades Park, New Jersey, around the time of this raid in 1944.

The "New York Herald Tribune" under dates of June 19, 1944, and June 21, 1944, and the "New York Mirror" of June 24, 1944, reflect that on June 14, 1944, EDWARD WATERS, a taxicab driver, turned over to the New York City Police Department the sum of \$27,200.00, which had been left in his cab by a passenger he had driven from the New Yorker Hotel to the Sherry Netherland Hotel in New York City a short time prior to his finding of the money. On June 17, 1944, COSTELLO appeared at the New York City Police Department and laid claim to this money, and he was identified by the taxicab driver as the man who had left the money in his cab. COSTELLO at this time, called himself a real estate operator and said he was carrying the cash to close a deal. The New York City Police Department refused to return the money on the grounds that he had not proved the funds were obtained legally. Newspaper accounts stated that the sum of \$27,200.00 represented the receipts for a day from bookmakers employed by COSTELLO to take bets at the Aqueduct Race Track in New York City. COSTELLO filed suit in the Supreme Court of the State of New York to recover this money, but the Government entered a claim for the amount, to apply on approximately \$36,000.00 in back taxes owed by COSTELLO. COSTELLO did finally secure the return of this money through court action.

The "New York Times" of February 24, 1945, reflected that on February 23, 1945, Police Commissioner LEWIS J. VALENTINE of New York City named FRANK COSTELLO as one of the three individuals in control of bigtime gambling in New York City, the other two being JOE ADONIS and FRANK ERICKSON.

According to various newspaper accounts in New York City newspapers, FRANK COSTELLO sponsored a dinner at the Copacabana Night Club, New York City, on January 24, 1949.

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[REDACTED] This dinner was for the benefit of the Salvation Army. COSTELLO had been appointed a Vice-Chairman of the Men's Division of a fund-raising campaign of the Salvation Army. It was reported in

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these newspapers that COSTELLO and his attorney, GEORGE WOLF, announced that one hundred and fifty persons each contributed \$100.00 to attend this dinner. It was disclosed by the Salvation Army in advance of the dinner. Reporters and photographers were prevented from entering the dining room at the Copacabana Night Club to see who was attending the dinner; however, GEORGE WOLF gave out a partial list of guests.

Among the officials present at this dinner, according to the newspaper accounts, were HUGO ROGERS, the Borough President of Manhattan, and leader of Tammany Hall; Supreme Court Justice THOMAS AURELIO; Supreme Court Justice MORRIS EDER; Supreme Court Justice ALGERNON I. NOVA; Supreme Court Justice ANTHONY J. DI GIOVANNA; Supreme Court Justice SAMUEL DI FALCO; County Judge THOMAS DOWNS; Special Sessions Justice JOSEPH V. LOSCALZO; City Court Justice LOUIS J. CAPOZZOLI; Commissioner of Elections CARMINE G. DE SAPIO; General Sessions Judge FRANK X. MANCUSO; CLARENCE NEAL; Representative ARTHUR KLEIN, of the 19th Manhattan District; and JAMES E. BRANIGAN, President of the National Democratic Club.

Newspaper accounts also reflected that there were in attendance at this dinner members of the underworld from Chicago, Illinois; Cleveland, Ohio; Newark, New Jersey; and New York City. Among those specifically known to have attended the dinner were PHILIP KASTEL, COSTELLO'S partner in New Orleans Louisiana; FRANK ERICKSON the outstanding New York City gambler; and VITO GENOVESE, an outstanding New York City racketeer.

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When  
Newspaper  
Reports

Various newspapers report that the activities of FRANK COSTELLO in Nassau County, New York, are centered about the Roosevelt Raceway at Westbury, New York. The races are run by the Long Island Trotting Association and the Old Country Trotting Association. A prominent figure in the latter association is GEORGE MORTON LEVY, attorney for COSTELLO in Nassau County. The newspapers reported further that COSTELLO'S money financed the Old Country Trotting Association and that LEVY is the go-between.

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On August 23, 1950 in the New York Press, COSTELLO announced through his attorney, GEORGE WOLF, the sale of three buildings in the Wall Street area, a thirteen-story office building at 79 Wall Street, and two four-story business buildings located at 87 Wall Street and 114 Wall Street, for a sum of approximately \$500,000. According to WOLF's statement to the press, COSTELLO was the president of the 79 Wall Street Corporation, and his wife, LORETTA COSTELLO, was vice-president, and he further explained that instant sale represented all of COSTELLO's real estate holdings in New York City.

b7D,  
C

*Chief -*

The "World Telegram and Sun" newspaper, on March 15, 1951, identified JOSEPH SCHOENBAUM as having been a Treasury man for twenty-five years, and indicated that when his relationship with COSTELLO became known to the Treasury Department, he was called before the Intelligence Unit to face charges which concerned itself generally with "conorting with criminals and others of ill repute." When questioned concerning his activities with COSTELLO, SCHOENBAUM refused to answer any questions, and shortly thereafter resigned from the Treasury Department.

On March 31, 1951 the Senate without debate voted contempt citations against FRANK COSTELLO, JOE ADONIS and FRANK ERICKSON, who had appeared before the Kefauver Committee when it was in session in New York City.

On September 10, 1951 Federal Judge THOMAS F. MURPHY, Southern District of New York, scheduled trials for FRANK COSTELLO, JOE ADONIS and FRANK ERICKSON on November 12, 1951 in connection with their indictment for contempt of the United States Senate.

The indictments were based on refusals of the above three individuals to answer questions put to them by the Senate Crime Investigative Committee.

The following is a brief summary of testimony furnished by witnesses who appeared before the Senate Crime Investigative Committee while it was in session in New York:

On March 12, 1951 GEORGE MORTON LEVY was the first witness who appeared before the Committee. He described himself as being a lawyer and President of the Nassau County Trotting Association, Inc. Under questioning by RUDOLPH HALLEY, the Committee's Chief Counsel, LEVY traced the organization of the corporation operating the Roosevelt Raceway at Westbury, Long Island, giving financial details and the names of its owners and employees.

Mr. LEVY testified that in 1946 the late BENJAMIN DOWNING, who was at that time Chairman of the New York State Harness Racing Commission, threatened to revoke the track's license unless bookmaking on the premises was stopped. In response to this LEVY stated that he suggested to Commissioner DOWNING that possibly FRANK COSTELLO could keep the track free of bookmakers. LEVY further stated that he would be the one to contact to rid the track of bookmakers, since he understood that COSTELLO had a reputation of having influence with gamblers. He added that he did contact COSTELLO, and an agreement was made that COSTELLO would "see what he could do" about getting the bookmakers out of the track.

LEVY testified that he paid COSTELLO \$15,000 a year, or a total of \$60,000 from 1946 to 1949 inclusive. He added that he did not consider himself to be a close friend of COSTELLO; however, did admit that on occasions he had played golf with him, FRANK ERICKSON and JOSEPH SCHOENBAUM in 1944 or 1945.

He described SCHOENBAUM as being an employee of the Bureau of Internal Revenue at that time.

He also stated that the only other business he had ever had with COSTELLO was about fifteen or eighteen years ago, at which time he, as an attorney, handled an income tax matter for COSTELLO in Washington, D. C. He recalled that he went to Washington to see some representative of some Bureau concerning this matter. He added that the only other business dealing he had with COSTELLO was about four or five years ago when COSTELLO purchased a home in Nassau County, at which time LEVY's law firm searched the title.

LEVY testified that shortly after he had talked with COSTELLO to aid him in getting rid of the gamblers, he noticed that the park was free of gamblers. He further testified that he had not paid COSTELLO the \$15,000 due him in 1950 in view of the fact that during the summer of 1949, when the Treasury Department made its routine examination of the books of the track for the years 1946 and 1947, they noted the payments which appeared on the books to COSTELLO, and the Treasury Department thought that it was against public policy, or not a necessary and deductible item under the tax laws and therefore refused to make the allowance.

On March 13, 1951 COSTELLO testified and gave his home address as 115 Central Park West. However, immediately after answering the question as to his residence, his attorney, GEORGE WOLF, received permission to read a prepared statement.

After the reading of the statement, COSTELLO admitted that when he was a boy, he was sometimes known by his mother's maiden name, "SEVERIO", and that he might have used that name in later life. He admitted that in 1950 he was arrested in New York State for possession of a revolver, and that he probably used the name FRANK SEVERIO at that time. COSTELLO then advised that he was unable to recall whether or not he had used any other names.

HALLEY thereupon produced an application for naturalization on which COSTELLO used the name FRANCISCO CASTIGLIA.

COSTELLO advised that he was at the present time in the real estate business. However, he stated he did not believe he was in the liquor business at the time he executed his application for naturalization. He testified that an individual by the name of SAUSSER and FRANK GOSS had witnessed his naturalization application; however, denied that either of these two individuals were at that time engaged in bootlegging. He stated that he had later bought liquor which was smuggled into the United States from Canada, and that he had sold it illegally and that he had purchased this liquor from a man named HARRY SAUSSER. However, he denied that this HARRY SAUSSER was in any way connected with the SAUSSER who witnessed his naturalization application. COSTELLO testified that he was engaged in buying liquor imported from Canada in approximately 1927, 1928 or 1929. However, he felt quite certain that it could not have been as early as 1922 or 1923. He stated that to the best of his recollection he did not think it was any earlier than 1927.

Chief Counsel RUDOLPH HALLEY pointed out that COSTELLO's first declaration of naturalization was made in 1923, and that the date of the filing of these papers was May 1, 1925. HARRY SAUSSER, whose name appeared on his naturalization papers, gave his employment as being in the real estate business in Huntington, Long Island, and FRANK GOSS, who also witnessed his naturalization papers, listed his business as being real estate.

Senator TOBEY then remarked that if in fact there were a conspiracy between the parties involved to break the laws, and if at a later date COSTELLO were made a citizen, there would be a good possibility of deporting COSTELLO, since he had falsified the records.

COSTELLO then admitted that he had been indicted in 1925 for conspiracy to smuggle liquor into the United States. Mr. HALLEY established that GOSS and SAUSSER were among 62 co-defendants and that the case against COSTELLO was later dismissed by the late Federal Judge FRANCIS A. WINSLOW.

It was then brought out that COSTELLO was admitted to citizenship on September 10, 1925. COSTELLO denied that he ever engaged in the business of selling, purchasing, transporting or processing alcoholic beverages within the United States prior to that time. COSTELLO admitted that he had been a bootlegger for some time and that he had operated from an office located at 405 Lexington Avenue, New York City.

Mr. HALLEY then read from a statement of interrogation of COSTELLO in 1947 before the New York State Liquor Authority, in which he testified that he had been engaged in bootlegging from 1923 to 1926. COSTELLO admitted that he had made this statement; however, stated that after thinking it over, to the best of his recollection, he had never engaged in the bootlegging business prior to 1926 or 1927.

COSTELLO also denied that at the time he became a citizen and swore to uphold the Constitution of the United States, he was violating any of the laws of the United States. COSTELLO then refused to answer a direct question as to his current financial position on the grounds that it might incriminate him. He was asked specifically as to his net worth and refused to answer the question.

COSTELLO named the following associates with whom he was connected in the Louisiana Mint Company in New Orleans. He described this company as being a slot machine company and his associates were as follows: PHIL KASTEL, New Orleans, part owner; CHARLES MURPHY, lawyer and certified public accountant who acted for COSTELLO in New Orleans; FRED RICKERFORD, part owner; DUDLEY GEIGERMAN, manager.

COSTELLO then stated that he had been invited to go into the slot machine business in New Orleans in 1935 by the late Governor HUEY LONG. He stated that LONG had approached him to make a survey of New Orleans and determine how many locations could be had, since LONG wanted to pass legislation permitting slot machines so that the state could obtain revenue for an old age pension. COSTELLO admitted that the use of slot machines at that time in Louisiana were illegal. COSTELLO then stated that he was "retired" from the slot machine business in New Orleans.



COSTELLO further testified that PHIL KASTEL,            RICHARD FORD and CARLOS MARCELLA were all in partnership in the ownership and management of the Beverly Country Club in New Orleans. He said that he held a twenty per cent interest. He refused to answer the question as to whether or not the Beverly Club had a gambling casino attached to it.

HALLEY then read from another Senate Sub-Committee's records before which COSTELLO had testified in April, 1950, at which time COSTELLO stated in answer to the same question, that the Beverly Country Club "just to make it clear; roulette and dice" were played there. He at that time testified that he received \$18,000 in salary in 1950 from the club.

When confronted with his former testimony, COSTELLO stated that his duties with the club were merely to solicit different acts to appear at the club, and act as a good will man.

COSTELLO testified that in 1950 he sold the 79 Wall Street Corporation, at which time he realized a net profit of, \$119,756.42. He also admitted that during 1950 he had earnings of \$26,800 as gambling winnings, and that during 1950 his total income was \$168,357.23, plus \$4,500 salary from the Beverly Club. COSTELLO then testified that in connection with another business deal he at two times borrowed \$25,000 from FRANK ERICKSON.

COSTELLO admitted that he was acquainted with W. H. GALLAGHER, Chairman of the Board of the Pennsylvania Exchange Bank, but denied any knowledge of the fact that GALLAGHER had made a \$100,000 loan to ERICKSON.

COSTELLO then admitted that he had received \$60,000 from GEORGE MORTON LEVY for assisting in getting the bookmakers out of Roosevelt Raceway. He stated that the only thing he did to earn this money was to spread propaganda around that bookmakers would be arrested if they appeared at the park.

COSTELLO then admitted that he was friendly with WILLIE MORETTI, a New Jersey gambler, and admitted that MORETTI had telephoned him 130 times in 1943 while MORETTI was recuperating from an illness in California.

At the close of the session on this date, Senator O'CONOR pointed out that COSTELLO had answered many questions throughout the day and had only refused to answer the question as to his net worth. He pointed out that COSTELLO and his attorney should consider this fact, since it would be necessary to propose a citation for contempt unless COSTELLO saw fit to answer that question on the following day.

COSTELLO continued his testimony on March 14 and at first denied detailed knowledge of the slot machine business conducted in Louisiana by "DANDY PHIL KASTEL", at which time Chief Counsel HALLEY read to him wiretap recordings that showed that COSTELLO was setting a price on the machines.

HALLEY then asked COSTELLO whether or not he had heard of an individual named JAMES McLAUGHLIN, to which COSTELLO replied he had never heard of anyone by that name. COSTELLO then denied that IRVING SHERMAN had introduced JAMES McLAUGHLIN, who worked for the telephone company, to him. He also denied that McLAUGHLIN had checked his telephone wires at his request and stated he had never given anyone a contract to check his wires. COSTELLO also denied having given anyone any money to check his telephone wires.

COSTELLO admitted that he at one time endorsed a note for \$325,000 for PHIL KASTEL, in order to assist him in obtaining the Whitely Distributorship in this country. COSTELLO denied that he had ever received anything for endorsing this note from KASTEL.

At that point Mr. HALLEY brought out testimony which COSTELLO in 1939 had given to a Treasury Agent. At that time COSTELLO stated that he had an interest in the Whitely Distillery.

COSTELLO advised that he had a bank account of \$90,000 to \$100,000, but stated that he did not have an opportunity to check his bank balance recently and that he had received his bank statement.

On January 5, 1952 COSTELLO'S trial for Contempt in connection with his appearance before the Senate Investigative Committee in New York City began at the United States Court House in New York City.

On January 14, 1952 the case was given to the jury and they reported back to the judge at 3:55 P.M. on January 15 that they were hopelessly deadlocked and could not reach a decision. Judge SYLVESTER J. RYAN discharged the jury and the case was set to be retried on January 18, 1952.

On April 8, 1952 COSTELLO was sentenced by Federal Judge RYAN to 18 months imprisonment and fined \$5,000.00.

The "New York Times" newspaper on October 31, 1951 contained an article which described a meeting between COSTELLO and RUDOLPH HALLEY at an East Side restaurant.

HALLEY explained in the article that he was having dinner at a restaurant with some friends and that COSTELLO apparently was having dinner with friends at the same restaurant and that they happened to leave simultaneously and when they reached the sidewalk COSTELLO grabbed his hand and shook hands with him.

JOSEPH T. SHARKEY, Acting City Council, President, who was opposing HALLEY in the campaign for the Council Presidency at that time had charged that HALLEY had said at this meeting, "FRANK, I'm sorry, I hope there are no hard feelings."

HALLEY explained the meeting at the restaurant but stated he did not recall COSTELLO shaking his hand and also denied that he had spoken to COSTELLO.

The "New York World Telegram and Sun", on September 10, 1952, indicated that Attorney General JAMES P. MC GRANERY had decided to institute denaturalization proceedings against COSTELLO. The article further indicated that denaturalization proceedings would be based on the fact that COSTELLO concealed the fact that under the alias of FRANK SAVERIO, he had been convicted of carrying a concealed weapon, and had been sentenced to a year in jail. The article further continued that if COSTELLO obtained his citizenship under false pretences, his citizenship should be immediately revoked, and he should be deported.

The "New York Journal American" newspaper, on September 30, 1952, quoted Senator WILLIAMS of Delaware as saying that he had written a letter to Attorney General McGRANERY, requesting that any Justice Department case of denaturalization against COSTELLO be held in abeyance until the Government was certain that all of his tax assessments had been collected, and that he was no longer a necessary witness at trials which may come up in the future concerning former key Government officials.

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*Source*  
*pending*

On April 23, 1953, COSTELLO pleaded not guilty to an indictment charging he evaded more than \$73,000 income taxes. COSTELLO had been brought by car from Milan to New York. Judge JOHN W. CLANCY released him on \$5,000.00 bail and he was remanded to the Federal House of Detention in New York sending COSTELLO'S plea to remain in a New York jail claiming he should have been incarcerated in "common jail", Federal Judge SYLVESTER RYAN denied his plea on May 27 and COSTELLO was returned to Milan, Michigan.

The following is a description of FRANK COSTELLO:

Name	FRANK COSTELLO, with aliases: Frank Saverio, <del>Francesco Saverio</del> <del>Frank Castello</del> , Frank Stello, Francisco Castiglia <del>Frank Severio</del>
Age	Born 1893, Calabria, Italy
Height	5'7"
Weight	170 pounds
Build	Medium
Hair	Dark Chestnut
Eyes	Dark brown
Complexion	Medium
Residences	115 Central Park West New York, New York (City address) Barkers Point Road Sands Point, Long Island (country address)
Citizen	Naturalized
Marital Status	Married

FRANK COSTELLO: RI 9-21

Central Fingerprint	Number	Arrested Received	Charge	Dispositi
Police Depart ment New York, N.Y.	FRANK COSTELLO #B-10412 As FRANK COSTELLO, Manhattan	May 31, 1935	conspir- acy	June 3, 1935 dismissed
	(per information received from New York, New York)			
Federal Detention Headquarters New York, N.Y.	FRANK COSTELLO #28331	October 9, 1939	conspired to evade payment of taxes	October 10, 1939 bail
United States Marshal New York, N.Y.	FRANK COSTELLO #C-23-468	October 9, 1939	evading payment of taxes and Section compla 1014 USKS to Southern District of Louisiana	released bail Oct. 10, 1939; dismissed November 1939
United States Marshal New York, N.Y.	FRANK COSTELLO #C-1760-51	July 25, 1951	contempt	pending
Federal Detention Headquarters New York City New York	FRANK COSTELLO #64136	August 15, 1952	refusing to answer Senate Committee refusing to answer certain questions before Senate Sub- Committee investigating crime	1 year 6 months see nota- tions 1 year 6 months October 9, 1952, transferr to Atlant
United States Penitentiary Lewisburg Pennsylvania	FRANK COSTELLO #20125	August 22, 1952		
United States Penitentiary Atlanta, Ga.	FRANK COSTELLO #72866	October 10, 1952 in transfer from United States Penitentiary Northeast	investi- gation, Crime Contempt before Senate Sub-Committee	18 months

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# FEDERAL BUREAU OF INVESTIGATION

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## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. ROSEN

DATE: May 17, 1947

FROM : [REDACTED] b7C

SUBJECT: FRANK COSTELLO  
MISCELLANEOUS INFORMATION CONCERNING

Mr. Tolson  
Mr. E. A. Tamm  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Carson  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Hendon  
Mr. Pennington  
Mr. Quinn Tamm  
Tele. Room  
Mr. Nease  
Miss Holmes  
Miss Gandy

PURPOSE

To advise that the April 12 and April 19 editions of Collier's Magazine contain articles entitled "America's Number One Mystery Man" by Herbert Asbury. The two articles set forth in detail the activities of Frank Costello, the notorious underworld hoodlum of New York City. The articles state that the New York Police and the FBI have periodically tapped the telephone of Costello and have kept him more or less under surveillance. The Bureau's files reflect that Costello was investigated in connection with the case entitled [REDACTED] Etal, National Stolen Property Act [REDACTED] b7C, b7E

BACKGROUND

The April 12, 1947 issue of the Collier's Magazine published an article entitled "America's Number One Mystery Man" by Herbert Asbury. This article sets forth that Frank Costello is the number one mystery man of the American underworld and of the American political scene. It states that for years the New York Police and the FBI have periodically tapped his telephone and kept him more or less under surveillance. The article states that Costello is the real big shot of the underworld and is known as the "Prime Minister." The article sets forth in detail the connection between Costello and his underworld associates and political friends.

The first article appearing in the April 12 issue states that the telephone of Frank Costello at his apartment in Central Park West has been tapped for almost four years by the New York City Police Department. The article sets forth the exact conversation between Costello and Magistrate Thomas A. Aurelio, who was appointed in 1943 as Justice of the New York Supreme Court. The article states that Aurelio called Costello one morning to express "undying loyalty" to Costello. Costello in return replied "I know, when I tell you something is in the bag, you can rest assured." As a result of the above conversation which was later extensively publicized, it is stated that very little information is furnished by Costello over the telephone since the above incident.

The April 12 issue of Collier's further states "Costello's telephone wires were tapped by the FBI as early as 1935 when a Federal Grand Jury indicted him and several others in connection with \$185,000 jewel robbery in Florida and transportation of the stolen property to New York. He was not tried on this charge but the two men who actually stole the jewelry, whom Costello admitted he knew, were sent to prison. The article further states that on several occasions since this case Costello has been trailed and investigated by G-Men." b7C

In connection with the above statement, a review of the Bureau's files reflects in a case entitled [REDACTED] Etal, National Stolen Property Act", b7C

62-76543


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EX-65

51 MAY 26 1947

Memorandum to Mr. Rosen

Bureau file 87-30, serial 113, that a telephone surveillance was maintained on Frank Costello, residing at 241 Central Park West, New York City, telephone Endicott 2-3677, and was in operation from April 19, 1935 to April 30, 1935.



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D

The Bureau's files fail to reflect any further technical surveillances on Frank Costello. Consideration had been given by the Bureau to install a technical surveillance on Frank Costello in connection with the investigation of the case entitled "Reactivation of the Capone Gang, Miscellaneous Information, Crime Survey." However, due to a situation which existed between the Bureau and the New York Telephone Company, no installation was made.

The above is for your information.

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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# WASHINGTON MERRY GO ROUND

By Drew Pearson

(The author of this column is given the widest latitude. His views do not necessarily reflect those of The Mirror.)

WASHINGTON, July 20.

—Kingpin of American gamblers, once the biggest racketeer in the country, Frank Costello, could be deported from the U. S. if anyone wanted to get tough with him.

Costello, who put one N. Y. judge on the bench, dominates the swankiest gambling houses around Miami and New Orleans, controls the one-arm bandit and legalized slot-machine racket of Louisiana, and runs several large roadhouses in New Jersey, migrated here from Italy around 1895 and was naturalized in 1925.

When Costello took the oath, he glossed over certain things which could cause him to lose his citizenship and be deported.

Costello did not reveal, when he became a citizen, that he had served a term in jail for carrying a concealed weapon.

A new citizen takes an oath to uphold the laws and Constitution. Yet, at the moment, Costello was taking his solemn oath, he was engaged in tremendous violations of the Volstead prohibition act. Costello equipped speedboats with machine guns, operated a fleet of trucks and rum-runners, who brought more liquor into the U. S. than perhaps any other man in America. The 18th amendment was part of the Constitution.

Mr. Tolson  
Mr. E. A. Tamm  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Mohr  
Mr. Pennington  
Mr. Quinn Tamm  
Mr. Nease  
Miss Gandy

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*Frank Costello*

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EX-30

Frank Costello

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21 July 47

THE WHITE HOUSE  
WASHINGTON

J E Hoover

What does the  
Dept Rael in the  
files on Frank  
Castello the well  
known gambler?

FRANK  
Castello

Vaughan

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OFFICE OF DIRECTOR  
FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

COPY

21 July 47

THE WHITE HOUSE  
WASHINGTON

J E Hoover

What does the Dep't have  
in the files on Frank Costello  
the well known gambler?

Vaughan

Mr. Tolson ✓  
Mr. E. A. Tamm ✓  
Mr. Clegg ✓  
Mr. Glavin ✓  
Mr. Ladd ✓  
Mr. Nichols ✓  
Mr. Rosen ✓  
Mr. Tracy ✓  
Mr. Carson ✓  
Mr. Egan ✓  
Mr. Gurnea ✓  
Mr. Harbo ✓  
Mr. Hendon ✓  
Mr. Jones ✓  
Mr. Pennington ✓  
Tele. Room ✓  
Mr. Nease ✓  
Miss Holmes ✓  
Miss Gandy ✓

12-8447-4



Mr. Rosen

67c

RECORDED  
&  
INDEXED

July 22, 1947

62-76543-16

Major General Harry Hawkins Vaughan  
Military Aide to the President  
The White House  
Washington, D. C.

Dear General Vaughan:

There is attached a memorandum relating to  
Frank Costello pursuant to your request of July 21,  
1947. SUMMARY

With expressions of my highest esteem,

Sincerely,

J. Edgar Hoover

ENCLOSURE

67c

Mr. Tolson  
Mr. E. A. Tamm  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Carson  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Mohr  
Mr. Pennington  
Mr. Quinn Tamm  
Tele. Room  
Mr. Nease  
Miss Gandy

COMMUNICATIONS SECTION  
JUL 22 1947 P.M.  
FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE

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cc Mr. Rosen

July 22, 1947

**MEMORANDUM**

Frank Costello, who has also been known under the aliases [redacted] was born in Calabria, Italy, in 1893.

According to the New York Daily News, it was reported that Costello is supposedly an illegitimate child inasmuch as after his arrival in the United States he is understood to have used the name of Severio, which was the maiden name of his mother.

The only time he was sentenced to the penitentiary occurred in April of 1915 when he was sentenced to serve one year on a charge of possessing a revolver.

He next branched into gambling activities, including bookmaking and slot machine operations, becoming known as the slot machine king of the United States.

According to newspaper reports, it was subsequently arranged between Senator Long and Costello to place slot machines in New Orleans, Louisiana. At the time it was Senator Long's contention that he wanted to raise about \$25,000 to \$30,000 each year to devote to a fund for the blind. Senator Long died before this scheme was placed into operation. However, a city ordinance was later passed in New Orleans requiring the payment of \$30 on each slot machine maintained there.

Costello appears to possess considerable political power, and according to newspaper accounts on August 24, 1943, the day after Thomas A. Aurelio received the Democratic nomination for the position of Justice of the Supreme Court of the First Judicial District of the State of New York, Aurelio telephoned to Costello on the latter's unlisted telephone line and pledged unflinching loyalty to Costello for the latter's assistance in securing Aurelio's nomination. The District Attorney's Office of New York County had placed a surveillance on Costello's telephone in connection with a murder investigation they were conducting and developed this information.

Mr. Tolson  
Mr. E. A. Tamm  
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Mr. Quinn Tamm  
Tele. Room  
Mr. Nease  
Miss Gandy

ENCLOSURE

ENCLOSURE

62-84047-4

Newspaper reports indicated that Costello helped Aurelio win the nomination and also that he did assist Michael J. Kennedy to win the leadership of Tammany Hall after his first selection, Representative James H. Pay was found to be out of the running; that Costello influenced the following district leaders described as old personal friends to vote for Kennedy; Paul F. Sarubbi of the First Assembly District, John DeSalvio, better known as Jimmy Kelly, night club owner and leader of the Second Assembly District, Abraham Rosenthal, leader of the Eighth Assembly District and Clarence H. Neal, Jr., leader of the Twentieth Assembly District. Costello also stated that he used his influence with these same four leaders, Michael J. Kennedy and Bert Stand to secure the Supreme Court nomination for Aurelio. 62-81518-

Newspaper accounts also reported that Costello is a friend of James "Jimmy" Hines, Tammany Hall politician who was convicted in New York as a result of his involvement with the Dutch Schultz Gang. Costello likewise was also said to have been acquainted with Tom "Boss" Pendergast of Kansas City, Missouri and to have met him on various occasions.

b7D  
C [REDACTED] News stories have stated that Costello controls the 79 Wall Street Corporation which owns real estate assessed at more than \$500,000 (B)(F)

Costello received considerable publicity in June, 1944, in connection with his leaving \$27,200 in a taxicab while going from the New Yorker Hotel to the Sherry Netherland Hotel. When he attempted to claim this money at the New York City Police Department, he was denied it, according to press accounts, on the grounds that it had been originally obtained illegally by him. On appeal to the courts, the money was awarded to Costello with the proviso that it was to be applied to a claim of approximately \$36,000 in back taxes owed to the Federal Government. Recent information indicates that this matter is still under litigation.

b7D, C [REDACTED]  
(I) Costello resides at 115 Central Park West and also has a summer residence on Barker's Point Road, Sands Point, Long Island. [REDACTED]  
b7DC [REDACTED]

In addition to the arrest previously mentioned, Costello was arrested by the Police Department of New York City on May 31, 1935, and charged with conspiracy. On June 3, 1937, this charge was dismissed. On September 9, 1939, Frank Costello was received at the Federal Detention Headquarters, New York City, and charged with conspiracy to evade payment of tax. On September 10, 1939, he was released on bail.

XXXXXX  
XXXXXX  
XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET5

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\_\_\_\_\_ Page(s) withheld for the following reason(s):

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\_\_\_\_\_

☐ For your information: \_\_\_\_\_

\_\_\_\_\_

- ☒ The following number is to be used for reference regarding these pages:

62-76543-17, 18, 19

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**FEDERAL BUREAU OF INVESTIGATION**  
**FREEDOM OF INFORMATION/PRIVACY ACTS SECTION**

**SUBJECT: FRANK COSTELLO**  
**FILE NUMBER: 62-76543 SECTION 2**

XXXXXX  
XXXXXX  
XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET

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☐ For your information: \_\_\_\_\_  
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62-76543-20 pg 1

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Memorandum for Mr. Ladd

No investigation concerning the denaturalization of Costello has been conducted by the Bureau.

ACTION

The above is for your information.



XXXXXX  
XXXXXX  
XXXXXX

# FEDERAL BUREAU OF INVESTIGATION

## FOIPA DELETED PAGE INFORMATION SHEET

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☐ For your information: \_\_\_\_\_

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62-76543 - 21 pg 1

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Memo to Mr. Rosen

62C

SA [REDACTED] advised that from the New York indices it appears that the above data is the only pertinent available information in the New York files in answer to the inquiry of [REDACTED]. He pointed out, however, that there are numerous references to Frank Costello in the Crime Survey and other files of the New York Office.

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : *R.A. ROSEN*

SUBJECT: FRANK COSTELLO  
MISCELLANEOUS  
CRIME SURVEY

DATE: September 22, 1949

*5-10-49*

*Mr. Tolson*  
*Mr. E. A. Tamm*  
*Mr. Clegg*  
*Mr. Glavin*  
*Mr. Ladd*  
*Mr. Nichols*  
*Mr. Rosen*  
*Mr. Tracy*  
*Mr. Egan*  
*Mr. Gurnea*  
*Mr. Harbo*  
*Mr. Mohr*  
*Mr. Pennington*  
*Mr. Quinn Tamm*  
*Tele. Room*  
*Mr. Nease*  
*Miss Holmes*  
*Miss Gandy*

PURPOSE:

To advise that the Los Angeles Mirror has published a statement that Mayor DeLesseps Morrison of New Orleans has asked the FBI to investigate the Frank Costello Gambling Syndicate.

BACKGROUND:

Recent news releases relating to the meeting of the members of the American Municipal Association at Chicago last week have contained statements attributed to Mayor Morrison of New Orleans and Mayor Bowron of Los Angeles to the effect that Frank Costello, the notorious underworld character, heads nationwide gambling syndicates which dominate rackets in Los Angeles, New York, New Orleans and Miami.

The Los Angeles Mirror of September 14, 1949, carried a statement that Mayor Fletcher Bowron of Los Angeles on September 13, last, called Mayor Morrison of New Orleans and verified that Morrison had asked the FBI to investigate the Frank Costello Gambling Syndicate. According to the news release, Bowron was asked if he intended to request the FBI to enter the investigation and he is quoted as replying that he would "Have a statement on that later."

Other news releases in this connection indicated that Mayor Morrison is running for re-election as Mayor of New Orleans and at the recent meeting of the American Municipal Association he made charges that the Costello machine which is allegedly represented locally in New Orleans by Costello's Lieutenant Phil Kastel is attempting to prevent his re-election.

No record can be located in the Bureau files of a request from Mayor Morrison for investigation of Frank Costello by the FBI.

RECOMMENDATION:

That it be ascertained from the New Orleans Office whether Mayor Morrison has made a request to that office for an investigation of Costello.

If you approve, an appropriate teletype is attached. *21*

*67C*

*50 OCT 12 1949*

INDEXED

RECORDED - 4

SEP 26 1949

RECEIVED - FBI

76543-22

FBI

SEPTEMBER 22, 1949

URGENT

SAC, NEW ORLEANS

FRANK COSTELLO, MISCELLANEOUS, CRIME SURVEY. LOS ANGELES MIRROR OF SEPTEMBER  
FOURTEEN LAST INDICATED THAT MAYOR FLITCHER MORRISON OF LOS ANGELES HAD TELEPHONICALLY  
CONTACTED MAYOR MORRISON AND VERIFIED THAT MORRISON HAD ASKED THE FBI TO INVESTIGATE  
THE FRANK COSTELLO GAMBLING SYNDICATE. NO RECORD OF SUCH REQUEST LOCATED IN BUREAU  
FILES. ADVISE WHETHER MAYOR MORRISON HAS CONTACTED YOUR OFFICE IN THIS CONNECTION  
AND FURNISH DETAILS. SUTEL.

BOOVER

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

SEP 22 1949

TELETYPE

RECORDED - 13  
162-76549-23  
F B I  
31 OCT 11 1949

TO: SAC  
CLERK  
GLAVIN  
LADD  
NICHOLS  
ROSEN  
TRACY  
Egan  
Gurnea  
Harbo  
Mohr  
Tele. Rm.  
Holloman  
Nease  
Quinn  
Tamm  
Trotter  
Tele. Rm.  
Holloman  
Nease  
Quinn  
Tamm  
Trotter

63 OCT 22 1949

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

SEP 22 1949

TELETYPE

FBI WASHINGTON DC

9-22-49

8-29 PM

FEJ

SAC, NEW ORLEANS

URGENT

FRANK COSTELLO, MISCELLANEOUS, CRIME SURVEY. LOS ANGELES MIRROR OF  
SEPTEMBER FOURTEEN LAST INDICATED THAT A XXX MAYOR FLETCHER  
BOWRON OF LOS ANGELES HAD TELEPHONICALLY CONTACTED MAYOR MORRISON  
AND VERIFIED THAT MORRISON HAD ASKED THE FBI TO INVESTIGATE  
THE FRANK COSTELLO GAMBLING SYNDICATE. NO RECORD OF SUCH REQUEST  
LOCATED IN BUREAU FILES. ADVISE WHETHER MAYOR MORRISON HAS  
CONTACTED YOUR OFFICE IN THIS CONNECTION AND FURNISH DETAILS.  
SUTEL.

HOOVER

END

ACK PLS

OK FBI NO CDE

*Ans. 9/23  
no record request*

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

Mr. Tolson.....  
Mr. Ladd.....  
Mr. Clegg.....  
Mr. Glavin.....  
Mr. Nichols.....  
Mr. Rosen.....  
Mr. Tracy.....  
Mr. Harbo.....  
Mr. Mohr.....  
Tele. Room.....  
Mr. Nease.....  
Miss Gandy.....

SEP 23 1949  
TELETYPE

*Rec'd 6:00 pm  
NA*  
FBI NEW ORLEANS

9-23-49

2-55 PM

DIRECTOR, FBI URGENT

FRANK COSTELLO, MISC., CRIME SURVEY. REBUTEL SEPT. TWENTY SECOND  
LAST STATING LOS ANGELES MIRROR OF SEPT. FOURTEEN INDICATED MAYOR  
FLETCHER BOWRON OF LOS ANGELES TELEPHONICALLY CONTACTED MAYOR  
MORRISON AND VERIFIED MORRISON HAD ASKED FBI TO INVESTIGATE  
THE FRANK COSTELLO GAMBLING SYNDICATE. NO REQUEST HAS BEEN RECEIVED  
THIS OFFICE FROM MAYOR MORRISON. MAYOR MORRISON MADE PRESS RELEASE  
SHORT TIME AGO PERTAINING TO COSTELLO-S ACTIVITIES AND STATED HE

HAD ASKED FEDERAL GOVERNMENT TO INVESTIGATE COSTELLO-S INTEREST  
IN LOUISIANA POLITICS. NO PARTICULAR FEDERAL AGENCY MENTIONED IN PR  
RELEASE AS HAVING BEEN CONTACTED BY MAYOR. NO FURTHER ACTION BEING  
TAKEN UNLESS ADVISED TO CONTRARY BY BUREAU. 4 1949

WYLY

END

94\$ PHOLD PLS

4-59 PM OK FBI WASH DC EJC

62-76543-23X  
RECORDED - 9762-74419-1  
F B I

62007141949

*memo on lead  
9/26/49*



67C

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: September 26, 1949

FROM : *Rosen* Mr. RosenSUBJECT: FRANK COSTELLO  
MISCELLANEOUS  
CRIME SURVEY

Mr. Tolson	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Tele. Room	
Mr. Nease	
Miss Holmes	
Miss Gandy	

PURPOSE

To advise that in connection with a recent statement in the Los Angeles Mirror to the effect that Mayor DeLesseps S. Morrison had requested the FBI to investigate the Frank Costello gambling syndicate the New Orleans Office has now advised that no such request has been received from Mayor Morrison although he recently issued a news release stating that he had asked the Federal Government to investigate Costello's interest in Louisiana politics.

BACKGROUND

As you will recall, there have been several recent news releases relating to a meeting of the American Municipal Association at Chicago week before last which was attended by mayors of various cities. Some of these releases reflect charges made by Mayor Morrison of New Orleans and Mayor Bowron of Los Angeles to the effect that Frank Costello, the notorious underworld character, directs a nation-wide gambling syndicate which dominates rackets in Los Angeles, New York, New Orleans and Miami.

In this same connection, the Los Angeles Mirror of September 14, 1949, quoted Mayor Bowron as saying that he had telephonically contacted Mayor Morrison of New Orleans and verified that Morrison had asked the FBI to investigate the Frank Costello gambling syndicate. Bowron was asked if he would request the FBI to enter the investigation in Los Angeles and was quoted as saying that "He would have a statement on that later."

Other newspaper publicity in the same connection indicated that Morrison is a candidate for re-election as Mayor of New Orleans and that he has made charges that the Costello machine controls the rackets in New Orleans through Costello's Lieutenant Phil Kastel and that these interests were opposing his re-election.

The Bureau files reflected no record of a request from Mayor Morrison for investigation of Frank Costello by the FBI and, accordingly, the New Orleans Office was requested to advise whether such a request had been received there.

DETAILS

The New Orleans Office has now advised that no request for investigation of Costello has been received from Mayor Morrison. Morrison issued a press release a short time ago concerning Costello's activities in which he stated that he had asked the Federal Government to investigate Costello's interest in Louisiana politics. This release did not name any particular Federal agency as having been contacted by the mayor.

RECORDED - 103

ACTION

OCT 20 1949

F B I

Further developments of interest in connection with this matter will be brought to your attention.



November 18, 1949

3-1

100

PERSONAL

5854

Federal Bureau of Investigation  
Miami, Florida

Dear [redacted]

When I was in New York a few days ago I was informed by a reliable person that Frank Costello has a home in Hallandale, Florida and has been going back and forth to this home from time to time. I don't recall having seen any reference to this in reports I have read upon Costello so I am passing this information on to you for your benefit.

Sincerely,

J. Edgar Hoover

G.I.R. 7

DE-INDEXED

DATE 1-12-54  
36

RECORDED 69

62-76543-25

NOV 25 1949

SENT FROM D. O.  
TIME 10:12 PM  
DATE 11-21-49  
BY [signature]

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Mohr
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

JEH:EH

RECEIVED

51 NOV 29 1949

**FEDERAL BUREAU OF INVESTIGATION**

Room 5744

10724

1949

TO: ☒ Director  
 \_\_\_\_\_ Mr. Ladd  
 \_\_\_\_\_ Mr. Clegg  
 \_\_\_\_\_ Mr. Glavin  
 \_\_\_\_\_ Mr. Harbo  
 \_\_\_\_\_ Mr. Nichols  
 \_\_\_\_\_ Mr. Rosen  
 \_\_\_\_\_ Mr. Tracy  
 \_\_\_\_\_ Mr. Fletcher  
 \_\_\_\_\_ Mr. Mohr  
 \_\_\_\_\_ Mr. Carlson  
 \_\_\_\_\_ Mr. Nease  
 \_\_\_\_\_ Miss Gandy  
 \_\_\_\_\_ Personnel Files Section  
 \_\_\_\_\_ Records Section  
 \_\_\_\_\_ Mrs. Skillman

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Harbo	_____
Mr. Mohr	_____
Tele. Room	_____
Mr. Nease	_____
Miss Gandy	_____

See Me \_\_\_\_\_ For Appropriate Action  
 Send File \_\_\_\_\_ Note and Return

Clyde Tolson

STANDARD FORM NO. 64

# Office Memorandum

TO : MR. TOLSON  
FROM : L. B. NICHOLS  
SUBJECT: *b7C, D*

UNITED STATES GOVERNMENT

DATE: October 24, 1949

Mr. Tolson  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Mohr  
Mr. Pennington  
Mr. Quinn  
Mr. Nease  
Mr. Tele. Rm.  
Mr. Holmes  
Miss Gandy

I told him there was very little we could say and referred him to the Court Records in New York, Immigration and Naturalization Service, Internal Revenue, the Greater Miami Commission, and pointed out they might want to check their contacts in New Orleans.

LBN:FML

RECORDED - 121  
INDEXED - 121

RECEIVED  
162  
19 NOV

XXXXXX  
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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET1

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February 7, 1950.

b7C

Department of Justice,  
Washington, D. C.

Edgar Hoover, F. B. I. Chief, ✓  
Washington, D. C.

Gentlemen;

Re. Gambling Racketeers  
*Frank* Costello, et al.

Why don't the Government proceed against these Foreign Gambling Racketeers and bounce them out of the country, to there native Italy and other lands?

Is it that these Racketeers are too powerful even for our Government to tackle?

Its a pretty mess when the Government sits or stands idly by and permits these lice to infect the communities to encourage other mobsters in there practices.

Lets start a clean up and get rid of them or must the Citizens start an organization of there own to deal directly with such situations.

People loose respect for the law inforing arm of the Government when nothing is done to clean up these cess-pools.

Lets get busy and get out of that old swivel chair.

Yours truly,

b7C

b7C

*Qm*

52 MAR 3 1950

RECORDED - 33

INDEXED - 33

62-76543-2  
FEB 17 1950

out of the record in file - no action - will look at - Page

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET8

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☐ For your information: \_\_\_\_\_

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- ☒ The following number is to be used for reference regarding these pages:  
62-76543. Three unrecorded serials between serials 28 & 29.

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DO-5

OFFICE OF DIRECTOR  
FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Record of Telephone Call or Visitor

Mr. Tolson

Mr. E. A. Tamm

Mr. Clegg

Mr. Glavin

Mr. Nichols

Mr. Rosen

Mr. Tracy

Mr. Harbo

Mr. Jones

Mr. Mohr

Tele. Room

Mr. Nease

Miss Holmes

Miss Gandy

Mr. [REDACTED]

~~XXXX~~-phoned. thru operator from New York City

Phone No. [REDACTED]

Hour 1:24pm Date Feb. 17 1950

REMARKS

When informed of the Director's absence from the city, [REDACTED] consented to speak with an assistant. After checking, he was referred to [REDACTED] in Mr. Nichols' division.

[REDACTED] advises that [REDACTED] stated he was from Cincinnati, Ohio, and that he referred to an article on the first page of New York Herald Tribune, which he had just seen, wherein Frank Costello was giving answers to certain questions. [REDACTED] thought this article was outrageous and that he is "sore as hell" about it. [REDACTED] is checking into the matter and preparing a memorandum.

EX-34 INDEXED  
RECORDED

62-76543-29  
FEB 23 1950

53 MAR 6 1950

12



*Office Memorandum*

UNITED STATES GOVERNMENT

TO: SAC, NEW YORK (100-157411)  
FROM: ASAC, NEW YORK (100-157411)  
SUBJECT: [REDACTED] (100-157411)  
[REDACTED] (100-157411)

With reference to the above individual, who is alleged to be a large-scale gambler and racketeer, would appreciate your forwarding to Bureau of all investigative reports of the Bureau which have not previously been transmitted to the Criminal Division.

RECORDED - 78

RECORDED - 78

100-157411-30  
MAR 18 1950

EX-15 SE 26

Assistant Attorney General  
James M. McInerney  
Director, FBI

February 27, 1950

62-76543-30

RECORDED - 78

FRANK COSTELLO alias Frank Castiglia  
MISCELLANEOUS

Reference is made to your memorandum of February 23, 1950, your file  
38-1155, 95-23-37.

Please be advised that information pertaining to any possible criminal  
violation concerning Frank Costello has previously been transmitted to the Criminal  
Division as reflected in previous memoranda transmitted in connection with the  
same subject matter.

[REDACTED]

b7c

cat R

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

U.S. DEPT. OF JUSTICE  
FBI  
RECEIVED-MAR 1 1950  
FEB 28 15 58 PM '50

MAILED - 16  
FEB 28 1950  
COMM - FBI

53 MAR 22 1950

ANONYMOUS COMMUNICATORS  
KEEP ENVELOPE ATTACHED

Abilene on N.Y. jobs

Ref - Literary Digest Feb 19:

Frank Costello

Find hideouts of Frank Costello  
on Frank Erickson on shipman  
from SS Pierce and stuff  
put side for held for Frank  
Frank Erickson

RECORDED - 27

162-76543-

MAR 14 1950

INDEXED - 27

37

EX-136

RECEIVED

57 MAR 29 1950

XXXXXX  
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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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☐ For your information: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES, U. S.

WASHINGTON, D. C.

6 November 1950

Mr. J. Edgar Hoover  
Director  
Federal Bureau of Investigation  
Washington 25, D. C.

The attached communication is submitted for your consideration, and to ask that the request made therein be complied with, if possible.

If you will advise me of your action in the matter and have the letter returned to me with your reply, I will appreciate it.

Very truly yours,

Laurie C. Battle  
M. C.

9th - Ala. District.

U. S. GOVERNMENT PRINTING OFFICE 16-56630-1

RECORDED  
INDEXED

NOV 7 1950

8

ENCLOSURE ATTACHED

ENCLOSURE

FRANK

OOSTERLO

b7c  
b6



62-76543-35

The Commissioner  
Immigration and Naturalization Service

November 11, 1950

RECORDED

Director, FBI

FRANK COSTELLO

b7c  
b6

There is enclosed a copy of a letter from [redacted] which has been referred to this Bureau by Congressman Laurie C. Battle.

[redacted] letter refers to a deportation matter concerning Frank Costello and is being furnished to you for whatever action is deemed appropriate.

Congressman Battle has been advised that this matter is being referred to you. He desires to be advised of any action taken in this matter.

[redacted] b7c


NOV 13 4 53 PM '50  
RECEIVED-READING ROOM  
F B I  
U. S. DEPT. OF JUSTICE

*[Handwritten signatures and initials]*

NOV 16 1950

MAILED 12  
NOV 13 1950  
COMM - FBI

TRUE COPY

  
October 30, 1950. b7C,  
D

Honorable Laurie Battle,  
Congressman to House of Representatives.  
Washington, D. C.

Dear Sir:

Recently it has come to my attention that the Federal Bureau of Investigation has enough evidence against Frank Costello, the gambler, to deport him, but can't, because of the influence of some of the men in Washington. As a strong candidate for good, clean, and honest government, I think this is a deplorable situation, and if possible should be remedied as soon as possible.

I realize that the affairs of state are heavy upon your shoulders, but this to, I think, is also of utmost importance.

If you are not too busy, I would appreciate a prompt answer to this letter, stating the possibilities of either jailing, or deporting Mr. Costello.

Yours for better government

  
b7C,  
D  
b6  
  
TRUE COPY  


62 - 76543 - 35 1

November 11, 1950

Honorable Laurie G. Battle  
House of Representatives  
Washington, D. C.

My dear Congressman:

Your letter of November 6, 1950, with  
which was enclosed the letter of [redacted]  
concerning Frank  
Costello, has been received.

[redacted] letter concerns a deportation  
matter which is not within the jurisdiction of this  
Bureau but is within the authority of the Immigration  
and Naturalization Service. I have, therefore, taken  
the liberty of referring a copy of [redacted] letter  
to Acting Commissioner A. R. Mackey, Immigration and  
Naturalization Service, United States Department of  
Justice for attention. The original of his letter is  
returned herewith in accordance with your request.

I do want you to know that your interest in  
referring this matter to me is very much appreciated.

With expressions of my highest esteem and  
best regards,

Nov 17 1950  
Sincerely yours,  
J. Edgar Hoover

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

NOV 13 1950



## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd *gmk*  
 FROM : A. Rosen  
 SUBJECT: FRANK COSTELLO

DATE: February 13, 1951

Call: 10:35 a.m.

Tolson \_\_\_\_\_  
 Ladd \_\_\_\_\_  
 Clegg \_\_\_\_\_  
 Glavin \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tracy \_\_\_\_\_  
 Harbo \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Gandy \_\_\_\_\_

*b7c*  
*b7c* While calling from New York on other matters, Supervisor [redacted] stated that Bureau Agents today observed Frank Costello, the well-known New York gambler, walking into the United States Courthouse. [redacted] further pointed out that the Kefauver Committee is holding hearings in the United States Courthouse today and it appeared likely that Costello was being called as a witness.

MC

*31*  
*Ka*

[redacted] *b7c*

RECORDED - 82

INDEXED - 82

EX-11

*162*  
 76543-37  
 FEB 13 1951  
 25

51 FEB 23 1951

ANONYMOUS COMMUNICATION  
KEEP ENVELOPE ATTACHED

FRANK

If you are really on the level about digging up where the Costello mob has its dough buried, heres a tip. Investigate the tie up between Costello and [REDACTED] who fronts for him on investments in hotels and apartments, mostly in Buffalo and that part of the state.

[REDACTED]  
Id sign my name but it aint helthy but this tip sure is.

HANDLED BY  
STOP DESK

INDEXED - 115

RECORDED - 115

EX-5

AUG 29 1951

62-16543-3

25

Red

Q 00 01 15



Dear Mr. Hoover,

I hear quite a bit of information through the newspapers about this man Frank Costello, and I thought I'd ask you won't put him behind the bars. It seems to me he deserves it. Good luck & good health to you. a friend, *M*

Frank Costello

(none)  
ack 11-29-57  
JGS

RECORDED - 29

EX-62

b7C,  
b6

DEC 5 1957

12

CRIME RECORDED

November 29, 1951

RECORDED - 29  
INDEXED - 29  
EX-62

62-16543-39  
[Redacted]  
b7C  
b6

Dear [Redacted]

Your letter postmarked November 24, 1951, has been received.

I thought you might like to know that the FBI is solely an investigative, fact-finding agency and it is not within the province of this Bureau to prosecute persons who may violate the laws of the United States. This is a function delegated to the Attorney General and his representatives. I assure you, however, that this Bureau is continuing to discharge its responsibilities within the scope of its prescribed authority.

Sincerely yours,

John Edgar Hoover  
Director

- Ladd \_\_\_\_\_
- Nichols \_\_\_\_\_
- Belmont \_\_\_\_\_
- Clegg \_\_\_\_\_
- Glavin \_\_\_\_\_
- Harbo \_\_\_\_\_
- Rosen \_\_\_\_\_
- Tracy \_\_\_\_\_
- Mohr \_\_\_\_\_
- Tele. Rm. \_\_\_\_\_
- Nease \_\_\_\_\_
- Gandy \_\_\_\_\_

b7C

65 DEC 19 1951

COMM - FBI  
NOV 30 1951  
MAILED 20

RECEIVED  
FBI  
NOV 29 1951  
[Handwritten signatures and initials]

XXXXXX  
XXXXXX  
XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET2

Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

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# FEDERAL BUREAU OF INVESTIGATION

## FOIPA DELETED PAGE INFORMATION SHEET

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DATE OF REMOVAL \_\_\_\_\_

DATE OF MAIL 9/16/52

67c  
HAS BEEN REMOVED FOR [REDACTED] TO BE KEPT PERMANENTLY IN HIS  
OFFICE, ROOM 1736

SEE FILE 66-2554-7530 FOR AUTHORITY.

SUBJECT JUNE MAILREMOVED BY 60 OCT 2 1952FILE NUMBER 62-76543-42PERMANENT SERIAL CHARGEOUT  
619

September 5, 1952

MEMORANDUM

Re: FRANK COSTELLO, was.  
Frank Caverio, Francesco  
Saverio, [REDACTED]  
Frank Costello, Frank Stello

SUMMARY

~~FRANK~~ Costello is variously reported to have been born January 26, 1891, at Cosenza, Italy, and January 28, 1896, at Reggio, Calabria, Italy. He is reported to have stated in his petition for naturalization that he embarked from Naples, Italy, on April 18, 1895. He is said to have filed a Declaration of Intent at New York, New York, on March 26, 1923, and to have been granted his citizenship on September 10, 1925, Certificate of Naturalization number 2136470. His residence has been reported to be 115 Central Park West, New York City where he has resided with his wife, Mrs. Loretta Geigerman Costello.

Costello is alleged to have engaged in bootlegging activities in 1923 and is alleged to have branched from that into gambling and slot machine activities. He is characterized in the press as one of the most prominent underworld figures in the country.

There is attached an arrest record for Costello.

Attachment

[REDACTED]

Mr. Tolson \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Harbo \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Laughlin \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Tele. Rm. \_\_\_\_\_  
Mr. Holloman \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

INDEXED - 117  
RECORDED - 117

SE 18  
EX - 13

SEP 18 1952

RECEIVED

53 OCT 3-1952



SEPTEMBER 18, 1952

SAC'S, NEW YORK  
PHILADELPHIA

URGENT

0  
FRANK COSTELLO, ETAL, INFO CONCERNING, INVESTIGATIVE DIVISION  
RENYTEL SEPTEMBER FOUR LAST, AND BUREAU CALLS TODAY. PHILADELPHIA  
ADVISE BUREAU RESULTS OF [REDACTED] BY TWO P.M. 67  
SEPTEMBER NINETEEN NEXT. NEW YORK SUTEL BY SAME TIME WHETHER  
ANY FURTHER DEVELOPMENTS HAVE OCCURRED IN THIS MATTER AND SUTEL  
DEVELOPMENTS  
DATEY THEREAFTER. THIS MATTER MUST BE AFFORDED VIGOROUS,  
CONTINUOUS ATTENTION AND THE BUREAU KEPT CLOSELY ADVISED OF  
ALL DEVELOPMENTS.

HOOVER

COPIES DESTROYED  
84 NOV 12 1964

RECORDED

162-76543-44  
SEP 19 1952

FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

SEP 18 1952

TELETYPE

68 OCT 7 1952

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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OCTOBER 10, 1952

AIR MAIL

SAC, ATLANTA

K3-1

FRANK COSTELLO, INFORMATION CONCERNING, INVESTIGATIVE DIVISION.

COSTELLO CONFINED AT USP LEWISBURG, PENNSYLVANIA, SERVING  
SENTENCE OF EIGHTEEN MONTHS FOR CONTEMPT OF CONGRESSIONAL  
COMMITTEE.

[REDACTED]

HOOVER

67D

[REDACTED] b2c

62-76543-  
NOT RECORDED  
106 OCT 15 1952

Mr. Tolson  
Mr. E. A. Tamm  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Carson  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Hendon  
Mr. Pennington  
Mr. Quinn  
Mr. Nease  
Miss Gandy

COMM - FBI  
OCT 10 1952  
MAILED 31

[REDACTED] b7c

79 OCT 28 1952

castell...

EE 1

G. I. R. - 3

0

RECORDED - 56

INDEXED - 56

162-76543-46

OCT 10 1952

EX 631

57 OCT 27 1952

FROM

DO-

OFFICE OF DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

TO  
OFFICIAL INDICATED BELOW BY CHECK MARK

Mr. Tolson \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Harbo \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Laughlin \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Winterrowd \_\_\_\_\_  
Mr. Holloman \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

See Me \_\_\_\_\_  
Note and Return \_\_\_\_\_  
For Your Recommendation \_\_\_\_\_  
What are the facts? \_\_\_\_\_  
Remarks: \_\_\_\_\_  
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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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☐ For your information: \_\_\_\_\_

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S.A.C. New York - 10/15/52

RE: FRANK COSTELLO, was: Frank Saverio,  
Francesco Saverio,  
Frank Castello, Frank Stello

22  
22  
22

67D

G.L.R.

COSTELLO's last known residence was 115 Central Park West, New York City. However, he is currently incarcerated in the Federal Penitentiary at Atlanta, Georgia.

He has been reported as a criminal overlord of the underworld in the United States and an international criminal.

sent 9-6

RECORDED-12

INDEXED-12

EX-112

62-76543-2

~~62-76543~~

DEC 2 1952

70

60 DEC 11 1952



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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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Information pertained only to a third party with no reference to you or the subject of your request.



Information pertained only to a third party. Your name is listed in the title only.



Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

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For your information: \_\_\_\_\_

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59.

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

1-4

1894.H.W.

J. Edgar Hoover  
Director.

The following FBI record, NUMBER 936 217

, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
Police Department New York New York	Frank Costello #B-38412	May 31 1935	conspiracy	June 3 1937 dismissed
Federal Detention Headquarters New York New York	As Frank Costello (Federal case) Deputy United States Marshal (per information received from New York New York) Frank Costello #28331	May 31 1935 October 9 1939	conspiracy conspired to evade payment of taxes	October 10 19 bail
United States Marshal New York New York	Frank Costello #C-23-463	October 9 1939	evading payment of taxes and Section 1014 UNIS to Southern District of Louisiana contempt	released on b October 10 19 complaint dismissed November 8 19
United States Marshal New York New York	Frank Costello #C-1760-51	July 25 1951		pending
Federal Detention Headquarters New York City New York	Frank Costello #64136	August 15 1952	refusing to answer Senate Committee	1 year 6 months August 22 1952 United States Penitentiary Lewisburg
United States Penitentiary Lewisburg Pennsylvania	Frank Costello #20125	August 22 1952	refusing to answer certain questions before Senate Sub-Committee investigating crime	1 year 6 months October 9 1952 transferred to Atlanta
United States Penitentiary Atlanta Georgia	Frank Costello #72866	October 10 1952 in transfer from United States Penitentiary Northeast	investigation Crime Contempt before Senate Sub-Committee	18 months

ENCLOSURE

62-76543-55

5-8-57

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

1-4

2

*J. Edgar Hoover*  
Director.

936 217

The following FBI record, NUMBER

, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
Federal Correctional Institution Milan Michigan	Frank Costello #16433	December 26, 1952 transferred from Atlanta	contempt Senate Sub-Committee	18 months

Notations indicated by \* ARE NOT BASED ON FINGERPRINTS IN FBI files. The notations are based on data furnished this Bureau concerning individuals of the same or similar names or aliases and ARE LISTED ONLY AS INVESTIGATIVE LEADS.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

1-4

3

*J. Edgar Hoover*  
Director.

The following FBI record, NUMBER 936 217

, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
	<p>Frank Costello New York New York May 6, 1908 assault and robbery; May 8, 1908 discharged Frank Saverio New York New York March 12, 1915 revolver; April 5, 1915 Penitentiary Frank Costello #1 - United States Marshal New York New York April 8, 1952 contempt of congress; April 8, 1952 fined \$1,000 each on counts 1, 3, 4, 5 and 8; sentenced 6 months on counts 5, 6, 7 to run concurrently; 1 year on counts 8, 9, 10 and 11 to run concurrently and to be served after actual completion of the 6 months on counts 5, 6 and 7; 30 days each on counts 1, 3 and 4 to be served concurrently with counts 5, 6 and 7; fined \$100 on counts 6, 7, 9, 10 and 11, but remitted</p>			

Notations indicated by \* ARE NOT BASED ON FINGERPRINTS IN FBI files. The notations are based on data furnished this Bureau concerning individuals of the same or similar names or aliases and ARE LISTED ONLY AS INVESTIGATIVE LEADS.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

1-4

4

J. Edgar Hoover  
Director.

The following FBI record, NUMBER **936 217**, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
	<p>Description: Race: white Sex: male Height: 5-9 Weight: 170 lbs. Hair: brown Eyes: brown Build: medium Complexion: medium Birth: 1-26-93, Italy Residence: in 1951, 115 Central Park W. NYC, NY</p>			

Notations indicated by \* ARE NOT BASED ON FINGERPRINTS IN FBI files. The notations are based on data furnished this Bureau concerning individuals of the same or similar names or aliases and ARE LISTED ONLY AS INVESTIGATIVE LEADS.

**UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.**

1894.H.W.

12-30-52 4799 dby

*J. Edgar Hoover*  
Director.

The following FBI record, NUMBER **936 217**

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CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
Police Department New York New York	Frank Costello #B-38412	May 31 1935	conspiracy	June 3 1937 dismissed
	As Frank Costello Manhattan May 31 1935 conspiracy (Federal case) Deputy United States Marshal (per information received from New York New York).			
Federal Detention Headquarters New York New York	Frank Costello #28331	October 9 1939	conspired to evade payment of taxes	October 10 19 bail
United States Marshal New York New York	Frank Costello #C-23-463	October 9 1939	evading payment of taxes and Section 1014 USKS to Southern District of Louisiana	released on b October 10 19 complaint dismissed November 8 19
United States Marshal New York New York	Frank Costello #C-1760-51	July 25 1951	contempt	pending
Federal Detention Headquarters New York City New York	Frank Costello #64136	August 15 1952	refusing to answer Senate Committee	1 year 6 months August 22 195 United States Penitentiary Lewisburg
United States Penitentiary Lewisburg Pennsylvania	Frank Costello #20125	August 22 1952	refusing to answer certain questions before Senate Sub-Committee investigating crime	1 year 6 months October 9 195 transferred to Atlanta
United States Penitentiary Atlanta Georgia	Frank Costello #72866	October 10 1952 in transfer from United States Penitentiary Northeast	investigation Crime Contempt before Senate Sub-Committee	18 months

Notations indicated by \* ARE NOT BASED ON FINGERPRINTS IN FBI files. The notations are based on data furnished this Bureau concerning individuals of the same or similar names or aliases and ARE LISTED ONLY AS INVESTIGATIVE LEADS.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

1-

J. Edgar Hoover  
Director.

2 The following FBI record, NUMBER 936 217

, is furnished FOR OFFICIAL USE ONLY

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
	Frank Costello New York New York May 6, 1908 assault and robbery; May 8, 1908 discharged			
	Frank Saverio New York New York March 12, 1915 revolver; April 5, 1915 Penitentiary			
	Frank Costello #-- United States Marshal New York New York April 8, 1952 contempt of congress; April 8, 1952 fined \$1,000 each on counts 1, 3, 4, 5 and 8; sentenced 6 months on counts 5, 6, 7 to run concurrently; 1 year on counts 8, 9, 10 and 11 to run concurrently and to be served after actual completion of the 6 months on counts 5, 6 and 7; 30 days each on counts 1, 3 and 4 to be served concurrently with counts 5, 6 and 7; fined \$100 on counts 6, 7, 9, 10 and 11, but remitted			

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SAC, New York (94-419)

October 15, 1953

Director, FBI

RECORDED 256 2-76543-60  
731-13 FRANK COSTELLO  
INFORMATION CONCERNING

39160

Reurlets dated October 5 and 12, 1953, and your airtel dated October 10, 1953.

The Bureau has no objection to your furnishing a copy of the revised summary you submitted concerning Costello to Assistant United States Attorney McMahon; however, it is desired that the following changes be made prior to transmittal:

The first page of the summary should be dated and placed on Bureau letterhead. The first paragraph should be deleted and the following substituted:

MAILED 6  
OCT 15 1953  
COMM. DIV.  
Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Gandy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
 Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

OCT 28 1953

67C

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## Office Memorandum • UNITED STATES GOVERNMENT

DATE: 10/12/53

TO : Director, FBI  
 FROM : SAC, New York (94-419)  
 SUBJECT: FRANK COSTELLO  
 INFORMATION CONCERNING

Re NY air-tel 10/10/53.

Enclosed find revised blind memorandum concerning FRANK COSTELLO for which Bureau approval is desired for furnishing to the United States Attorney's Office.

Enc. (1)

ENCL

U.S. DEPT. OF JUSTICE  
FBI

JCL 13 4 53 PM '53

RECEIVED - ASST. DIR. OF INVESTIGATION  
OCT 13 1953

RECORDED-45

INDEXED-45

memo re Person to  
 New York 10/14/53  
 b7C

62-76543  
 1953  
 b7C

~~FRANK~~ COSTELLO *Summary*  
FBI #936217-

Born: January 26, 1893; *N.Y.*  
Calabria, Italy

Arrived in U.S.: April 2, 1895

Naturalized: September 10, 1925

Resides: 115 Central Park West,  
New York City

(Also resides at country estate at  
Barkers Point Road, Sands Point, L. I.)

Presently incarcerated at Federal House  
of Correction at Milan, Michigan

The following information concerning FRANK COSTELLO is a result of a review of all the information pertaining to the subject maintained in the files of this office, the pertinent portions of which are set forth below:

Collier's magazine of April 12, 1947 reflects that when he was married and when he was arrested in New York City, as well as during his examination by a U. S. Attorney in 1935, COSTELLO claimed he had been born in New York City, exact date not given. However, according to this magazine, in his petition for final naturalization, COSTELLO said he was born January 26, 1891 at Cosenza, Italy.

S.L.A.

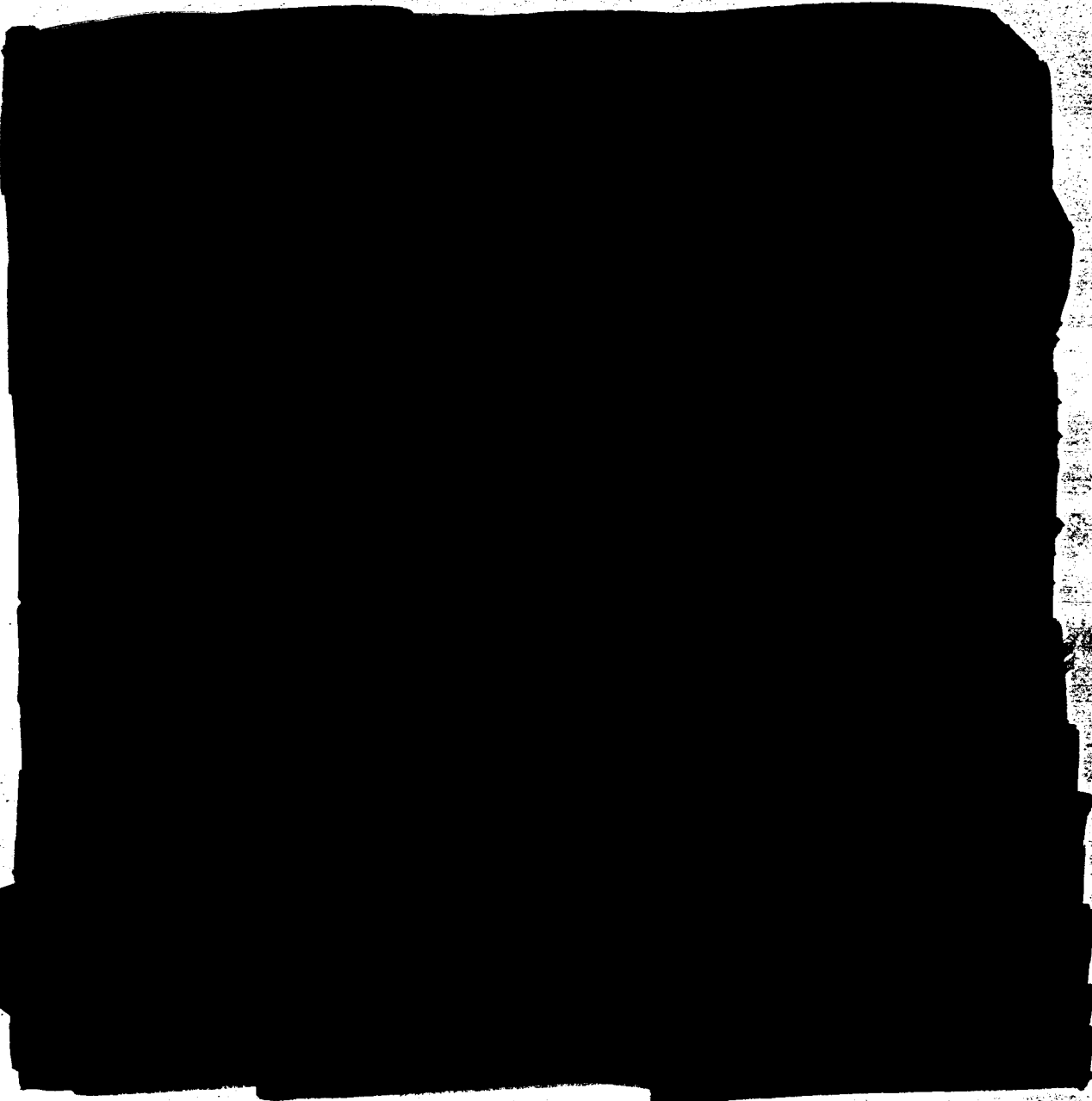
*b7D* [REDACTED] In the "New York News" of June 25, 1944, it is stated COSTELLO was born in Calabria, Italy, in 1893. This newspaper indicates his mother's maiden name was SAVERIO and his father's name was STELLO or CASTELLANO.

The records of Selective Service Board 24, New York City, reflect COSTELLO was born January 26, 1893 in Calabria, Italy.

In Collier's magazine of April 12, 1947, it is reflected that in his petition for final naturalization papers, COSTELLO said he had embarked from Naples, Italy, on March 1, 1895, and had arrived in the United States on April 2, 1895. This magazine further indicates COSTELLO was granted his citizenship papers on September 10, 1925. COSTELLO filed his declaration of intent on March 26, 1923, and he gave his residence as 234 East 108th Street, New York City.

*62-76543-60*  
ENCLOSURE

This magazine article further shows that, at the time of his arrest on March 12, 1915, in New York City, COSTELLO said he was a steamfitter by occupation and that he had lived at 222 East 108th Street, New York City, for twenty-three years. The "New York News" of June 25, 1944 indicates it was pointed out in court at this time that COSTELLO had not worked at the above mentioned occupation for a couple of years, having been engaged in the operation of a saloon.



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*subject is source*

The records of the County Register's Office, New York County, reflect that on May 23, 1944, the properties known as 79-89 Wall Street, 148-152 Pearl Street and 114-16 Water Street, New York City, were purchased by the 79 Wall Street Corporation, a real estate holding company with an office at 30 Broad Street, New York City, of which COSTELLO is President and his wife, LORETTA B. COSTELLO, Vice President and Secretary. This property is assessed at \$512,000.00 and was purchased subject to a mortgage of \$249,483.00.

The records of the Secretary of State's Office, State of New York, reflect a certificate of incorporation for the 79 Wall Street Corporation was filed on April 21, 1944 with the Secretary of State by BLANCHE WOLF, 30 Broad Street; HARRY SHAPIRO, 261 Broadway and GEORGE WOLF, 30 Broad Street; all New York City, who were listed as directors. BLANCHE WOLF is the daughter of GEORGE WOLF, COSTELLO'S present attorney.

Collier's magazine of April 12, 1947 indicates COSTELLO pays \$3,600.00 a year rent for an apartment at 115 Central Park West, New York City.

[REDACTED]

67D

b7D —

The "New York Herald Tribune" of June 22, 1944 reflects that on May 13, 1944 COSTELLO purchased, in his wife's name, a twelve-room house on Barker's Point Road near Sands Point Road, Sands Point, Long Island, as a summer residence. COSTELLO paid \$15,000.00 in cash for the home and assumed a \$16,000.00 mortgage already on the property.

b7D, C



## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI -  
 FROM : SAC, Miami (62-2358)

DATE: October 16, 1953

SUBJECT: FRANK COSTELLO, Was  
 GIIF  
 (TOP HOODLUM COVERAGE)

283-1

Re SAC Letter No. 53-58 dated August 25, 1953.

FRANK COSTELLO, FBI No. 936217, is often referred to as the top ranking criminal in the United States. His permanent address is in New York. He is presently incarcerated in the Federal Reformatory at Milan, Michigan, having been convicted of contempt of Congress in connection with his appearance before the Kefauver Committee.

Although FRANK COSTELLO makes his headquarters in New York City, he was a regular visitor to South Florida each winter prior to his conviction.

In April, 1951 COSTELLO began construction of a home at 11th Avenue and Hollywood Boulevard, Hollywood, Florida, on a lot owned by his wife, LORETTA B. COSTELLO. After some unfavorable publicity construction was discontinued and it has never been completed.

cc: New York (Info.)

RECORDED - 61

INDEXED - 61

OCT 19 1953

53 OCT 30 1953

EX-150

EXP. PROC.

**AIRTEL**  
**FEDERAL BUREAU OF INVESTIGATION**

**UNITED STATES DEPARTMENT OF JUSTICE**

**NEW YORK, 10/10/53**

Transmit the following Teletype message to: **BUREAU**

**FRANK COSTELLO, INFORMATION CONCERNING. RMYLET 10/5 LAST.**

**MEMORANDUM CONCERNING COSTELLO BEING REVISED AND FINISHED**

**COPY WILL BE FORWARDED BUREAU 10/12 NEXT.**

**BOARDMAN**

**62-36**

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Gandy	_____
Mr. Mohr	_____
Mr. Winterrowd	_____
Miss Gandy	_____

**(3) BUREAU (REGULAR)**

**94-419**

**RECORDED - 108**

**OCT 10 1953**

**52 OCT 30 1953**

Approved: LVB

Special Agent in Charge

Sent \_\_\_\_\_ M

Per \_\_\_\_\_

**Mr. Rosen**

MM 62-2358

67D

[REDACTED]

In view of the above, and since COSTELLO's sentence is soon to expire, he is being carried as a "top hoodlum" of the Miami Field Division. No doubt the New York Office has also classified him as such. It will be appreciated if New York will in the future furnish Miami with copies of any correspondence which it directs to the Bureau regarding FRANK COSTELLO. Miami would particularly like to be advised promptly in the event New York receives information relative to COSTELLO or his wife proceeding to Florida.

Office Memorandum • UNITED STATES GOVERNMENT

DATE: 10/5/53

TO : Director, FBI  
FROM : SAC, New York (94-419)

SUBJECT: FRANK COSTELLO;  
INFORMATION CONCERNING

Re telephone call to Bureau, 10/2/53.

Enclosed herewith is a memorandum reflecting information on FRANK COSTELLO which is a result of a review of all the pertinent information relative to the captioned subject mentioned in the files of this office.

This memorandum was prepared for Chief Assistant United States Attorney Lloyd McMahon, SDNY, who is in the process of preparing an income tax case against FRANK COSTELLO. This request was made of SAC Boardman by Mr. McMahon on 9/25/53 while he and SAC Boardman were conversing on another matter.

It is pointed out that this memorandum is by and large public source information and wherever information was obtained from an informant such disclosure will in no way endanger the source of the information.

It is recommended that Bureau approval be granted to furnish a copy of the enclosed memorandum to AUSA McMahon.

ENCLO. BEHIND FILE  
Enc. (1)

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OCI INDEXED 154-76542-63

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U.S. DEPT. OF JUSTICE  
FBI

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CRIMINAL DIVISION

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Approved: \_\_\_\_\_

Special Agent in Charge

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## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: 12/17/53

FROM : SAC, New York (94-419 sub file 22)

SUBJECT: FRANK COSTELLO  
G.I.I.R.

Re Atlanta letter to Director, 11/17/53.

[REDACTED]

[REDACTED]

[REDACTED]

It is also noted that other than newspaper articles similar to that appearing in the "Atlanta Constitution" on 11/7/53, the NY office has no information that the FRANK COSTELLO organization plans to operate in Atlanta.

~~EXHIBIT PROC~~

1-Atlanta (94-235) (RM)

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INDEXED-31

162-76543-65

31 DEC 21 1953

58 JAN 6 1954

EX-103

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STANDARD FORM NO. 64

## Office Memorandum • UNITED STATES GOVERNMENT

DATE: 2/24/54

TO : Director, FBI  
 FROM : SAC, New York (94-419 Sub 22)  
 SUBJECT: FRANK COSTELLO  
 CIIP  
 TOP HOODLUM COVERAGE

There is attached, for the information of the Bureau, two copies of a memorandum prepared by this office concerning captioned subject.

It is noted that this is a review of all the references concerning COSTELLO contained in the New York Office indices.

In accord with the Top Hoodlum Coverage Program, investigation will be conducted to ascertain COSTELLO's current activities, associates and position in the underworld.

Copies of this memorandum are being designated for the Albany Office because of the indicated influence of COSTELLO in New York Politics; to the Little Rock, Miami, and New Orleans Offices because of COSTELLO's activities and associations in their territory; and to the Newark Office because it covers parts of what is known as the New York metropolitan area.

EXP. PROC.

Encs. (2)

- 1 - Albany (Enc. 1)
- 1 - Little Rock (Enc. 1)
- 1 - Miami (Enc. 1)
- 1 - Newark (Enc. 1)
- 1 - New Orleans (Enc. 1)

RECORDED  
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FEB 26 1954

RETURN TO  
MAILING DESK

55 APR 5 1954

120

MEMO

New York, New York  
February 24, 1954

GENERAL INVESTIGATIVE INTELLIGENCE FILE

FRANK COSTELLO, TOP HOODLUM COVERAGE

FRANK COSTELLO was:  
Francesco Costaglia, Frank Saverio,  
Francesco Saverio, [REDACTED] b7D  
Frank Costello, Frank Stello  
FBI Number 936217

The following information concerning FRANK COSTELLO is a result of a review of all the information pertaining to the subject maintained in the files of this office.

BACKGROUND

FRANK COSTELLO has furnished various information as to his origin. "Colliers" magazine of April 12, 1947 reflects that when he was married, and when he was arrested in New York City, as well as during his examination by the United States Attorney in 1935, COSTELLO claimed he had been born in New York City, exact date not given. However, according to this magazine, in his petition for final naturalization, COSTELLO said he was born January 26, 1891 in Cosenza, Italy. [REDACTED]

b7D [REDACTED] In the New York "News" of June 25, 1944, it is stated that COSTELLO was born in Calabria, Italy, in 1893. This newspaper indicates his mother's maiden name was SAVERIO and his father's name was STELLO or CASTELLANO.

The records of Selective Service Board 24, New York City, reflect COSTELLO was born January 26, 1893 in Calabria, Italy.

62-76543-69

JEH:QAT  
94-419 Sub 22


ENCLOSURE

NY 94-419 Sub 22

The "Colliers" magazine article reflected that in COSTELLO's petition for final naturalization papers, he stated he had embarked from Naples, Italy, on March 1, 1895 and had arrived in the United States on April 2, 1895. If this date is correct, the above mentioned 1896 birthdate could not be correct. This magazine further indicates that COSTELLO was granted his citizenship papers on September 10, 1925. It is presumed this naturalization took place in New York City because the above mentioned magazine reflects that when COSTELLO filed his declaration of intent on March 26, 1923, he gave his residence as 234 East 108th Street, New York City.

This magazine article further shows that at the time of his arrest on March 12, 1915 in New York City, COSTELLO stated he was a steamfitter by occupation and that he lived at 222 East 108th Street, New York City, for twenty-three years.

The New York "News" of June 25, 1944 indicates it was pointed out in court at this time that COSTELLO had not worked at the above mentioned occupation for a couple of years having been engaged in the operation of a saloon.



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NY 94-419 Sub 22

~~HARRY SHAPIRO~~, 261 Broadway, and ~~GEORGE WOLF~~, 30 Broad Street, all New York City, who were listed as directors.

It is noted that BLANCHE WOLF is the daughter of GEORGE WOLF, COSTELLO's attorney.

In various newspaper accounts [REDACTED]

[REDACTED] has been ascertained that GEORGE WOLF, 30 Broad Street, has been COSTELLO's attorney for a long period of time.

It has been ascertained that COSTELLO resides at 115 Central Park West, New York City. "Colliers" magazine of April 12, 1947 indicates that COSTELLO pays \$3,600.00 rental a year for this apartment. [REDACTED]

The "New York Herald Tribune" of June 22, 1944 reflects that on May 13, 1944, COSTELLO purchased in his wife's name a twelve room house on Barker's Point Road near Sand Point Road, Sands Point, Long Island, as a summer residence. COSTELLO paid \$15,000.00 cash for the home and assumed a \$16,000.00 mortgage already on the property. [REDACTED]



NY 94-419 Sub 22

b7D, C

ACTIVITIES

b7D, C

CRIMINAL ACTIVITIES

67D  
C

The records of the United States Attorney, Southern District of New York, reflect COSTELLO was indicted by Federal Grand Jury in New York City on November 18, 1926, on a charge of conspiracy to violate the Prohibition Amendment, but was found not guilty on January 20, 1927.

NY 94-419 Sub 22

b7C  
b7D  
b7C  
It is noted the trial in this conspiracy case resulted in the acquittal of nine minor defendants and disagreement as to six major defendants.

The records of the State Supreme Court, New York City, reflect that on April 5, 1929, in that Court, a judgment for \$25,272.00 was entered against COSTELLO in favor of the Rothmere Corporation, which judgment was satisfied of record on October 1, 1943. This corporation was controlled by ARNOLD ROTHSTEIN, the notorious gambler who was murdered.

Also, on April 5, 1929, another judgment for \$10,122.00 was entered against COSTELLO in favor of the estate of ARNOLD ROTHSTEIN, which judgment was satisfied of record on December 3, 1943.

The records of the United States Attorney's Office, Southern District of New York, reflect that from bootlegging COSTELLO branched into gambling, engaged in bookmaking and slot machines. He became known as the slot machine king of the United States.

b3

NY 94-419 Sub 22

[REDACTED]

b3,  
b7D,  
C

The Midtown Novelty Company, through a suit brought by the Mills Novelty Company, secured an injunction in Federal Court in 1931, against seizing of their slot machines. This injunction remained in effect until 1933, at which time, as a result of an appeal by the City of New York in the United States Circuit Court of Appeals, the injunction was revoked, and the machines operated by the Midtown Novelty Company were seized by the New York City Police Department.

b3

[REDACTED]

NY 94-419 Sub 22

63

The records of the United States Attorney's Office, Southern District of New York, reflect COSTELLO admitted he paid neither Federal or State income taxes from 1919 until 1932 when he arranged to settle both of them. He said that he paid \$305,000.00 to New York State but did not disclose how much he paid the Federal Government.

On June 7, 1935, COSTELLO was indicted by a Federal Grand Jury at New York City for violation of the Interstate Transportation of Stolen Property Act. The following individuals were indicted with him at this time: NOEL CHARLES SCAFFA; NIC MONTONE; CHARLES CALI; ALBERT J. CONTENTO with alias AL HOWARD; CHARLES ALVIN STERN alias "BROADWAY CHARLIE STERN"; PASQUALE TESORIÈRE alias PATSY DYKE.

67D, C

NY 94-419 Sub 22

67D  
C  
[REDACTED]  
All of the individuals mentioned above were indicted for the interstate transportation of this jewelry and also for conspiracy. Indictments as to COSTELLO were Nol-Prosced on June 3, 1937. [REDACTED]

00  
NY 94-419 Sub 22

[REDACTED]


b7c The New Orleans Office advised that on May 6, 1940,  
FRANK COSTELLO together with [REDACTED] were charged  
[REDACTED] with conspiracy to violate the Income Tax Laws in the Federal  
Court in the State of Louisiana. COSTELLO and his co-defendant  
were acquitted.

b7D, C [REDACTED]

New Orleans item of April 27, 1950 reported that  
FRANK COSTELLO, while testifying before the United States Se-  
Congressional Sub-Committee, admitted having operated five

NY 94-419 Sub 22

or six hundred slot machines in New Orleans at one time but stated that he had not owned any slot machines for approximately five or six years. He testified that the only gambling he was linked with was a casino he operates just outside the New Orleans city limits and gambling in the casino was limited to certain types, which were roulette and dice. He further testified that his New Orleans associate was KASTEL. He further stated that he had been invited to New Orleans by a public official but did not identify this individual. He testified that he had never operated anywhere except New York and New Orleans.



67D, C

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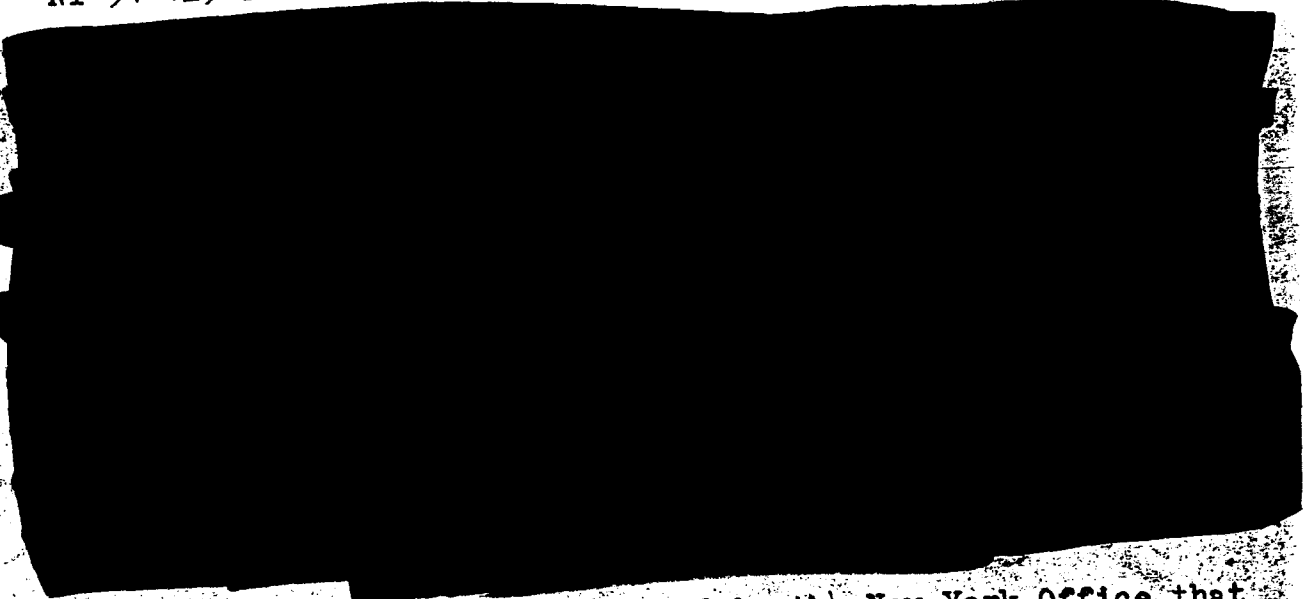
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Information was developed by the New York Office, that as of 1938, it was reported COSTELLO, together with JACOB SHAPIRO, LOUIS BUCHALTER, CHARLES "LUCKY" LUCIANO, ABRAHAM SWILLMAN, and BENJAMIN "BUGS" SIEGEL, all outstanding racketeers, SHAPIRO, BUCHALTER, and SIEGEL presently being deceased, had received considerable notoriety through police announcements and newspaper stories as members of the "Big Six" of New York City.



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Various accounts in New York City newspapers reported the following information:

On August 23, 1943, the Democratic Judicial Convention of the First Judicial District, comprising the counties of the Bronx and New York, nominated Magistrate THOMAS A. AURELIO as one of their candidates for Justice of the Supreme Court in that district. On the following day, the Republican Judicial Convention for that district made a similar nomination of Magistrate AURELIO. Four days later, District Attorney FRANK S. HOGAN of New York County publicly disclosed that on the morning after Magistrate AURELIO received the Democratic nomination, he telephoned FRANK COSTELLO on CONSTELLO's private unlisted telephone. The principal part of this conversation was as follows:

AURELIO:

Good morning, FRANCESCO, how are you? And thanks for everything!

COSTELLO:

Congratulations! It went over per When I tell you something is in the bag, you can rest assured.

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AURELIO:

It was perfect. Right now I want to assure you of my loyalty for all you have done. It is undying.

COSTELLO:

I know. I'll see you soon.

It is noted that the surveillance telephone by District Attorney [redacted] placed in contact with the investigation of the murder of [redacted]

AURELIO subsequently admitted the above conversation, but claimed he did not know that COSTELLO was engaged in illegal activities. Following the revelation that the Democratic nomination of AURELIO had been procured by COSTELLO, the committee on vacancies of both the Democratic and the Republican Parties declared the nomination vacant and attempted to nominate other candidates for the office. AURELIO then appealed to the courts which upheld his legal right to remain on the ballot, and in November 1943, AURELIO was elected to the position of Justice of the Supreme Court.

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[REDACTED]  
Also, according to these newspaper accounts, COSTELLO stated he knows HENRY GOODMAN, former Magistrate of the City of New York and now a practicing attorney. [REDACTED]

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[REDACTED]  
Various accounts in New York City newspapers during the year 1944, reported that COSTELLO and JOE ADONIS, the well-known racketeer, ran the "Big Hall", a gambling establishment in Cliffside Park, New Jersey, until the day before it was raided by representatives from the Bergen County, New Jersey Prosecutor's Office, and that the night before the raid, the paraphernalia was moved, indicating a "tip off" had been given in advance of the raid. It was further alleged that COSTELLO and ADONIS make Bergen County Headquarters for their gambling activities. [REDACTED]

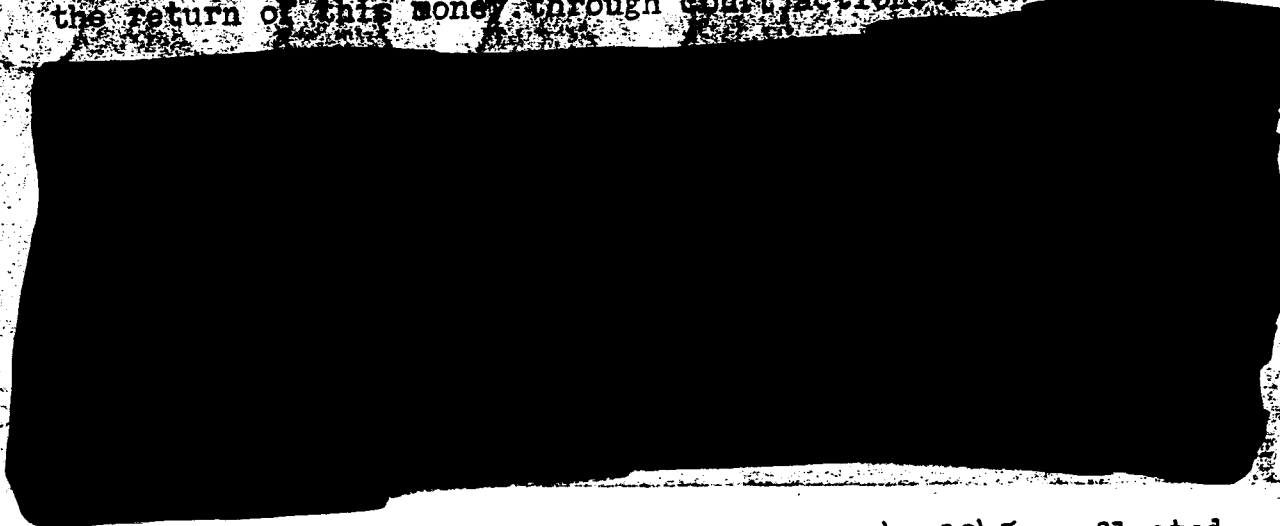
The "New York Herald Tribune" under dates of June 19, 1944 and June 21, 1944, and the "New York Mirror" of June 24, 1944, reflect that on June 14, 1944, EDWARD WATERS, a taxicab driver, turned over to the New York City Police Department the sum of \$27,200.00, which had been left in his cab by a passenger he had driven from the New Yorker Hotel to the Sherry Netherland Hotel in New York City a short time prior to his finding of the money. On June 17, 1944, COSTELLO appeared at the New York City Police Department and laid claim to this money, and he was identified by the taxicab driver as the man who had left the money in his cab. COSTELLO at this time, called himself a real estate operator and said he was carrying the cash to close a deal. The New York City Police Department refused to return the money on the grounds that he had not proved the funds were obtained legally. [REDACTED]

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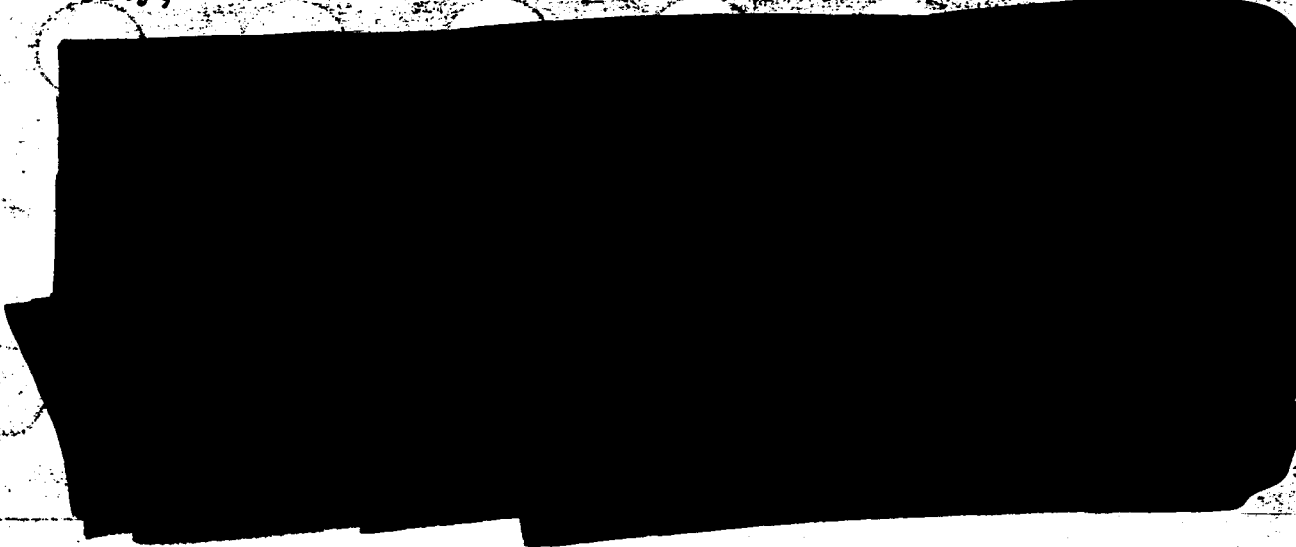
NY 94-419 Sub 22

COSTELLO filed suit in the Supreme Court of the State of New York to recover this money, but the Government entered a claim for the amount, to apply an approximately \$36,000.00 in back taxes owed by COSTELLO. COSTELLO did finally secure the return of this money through court action.

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The "New York Times" of February 24, 1945, reflected that on February 23, 1945, Police Commissioner VEWIS J. VALENTINE of New York City named FRANK COSTELLO as one of the three individuals in control of bigtime gambling in New York City, the other two being JOE ADONIS and FRANK ERICKSON.



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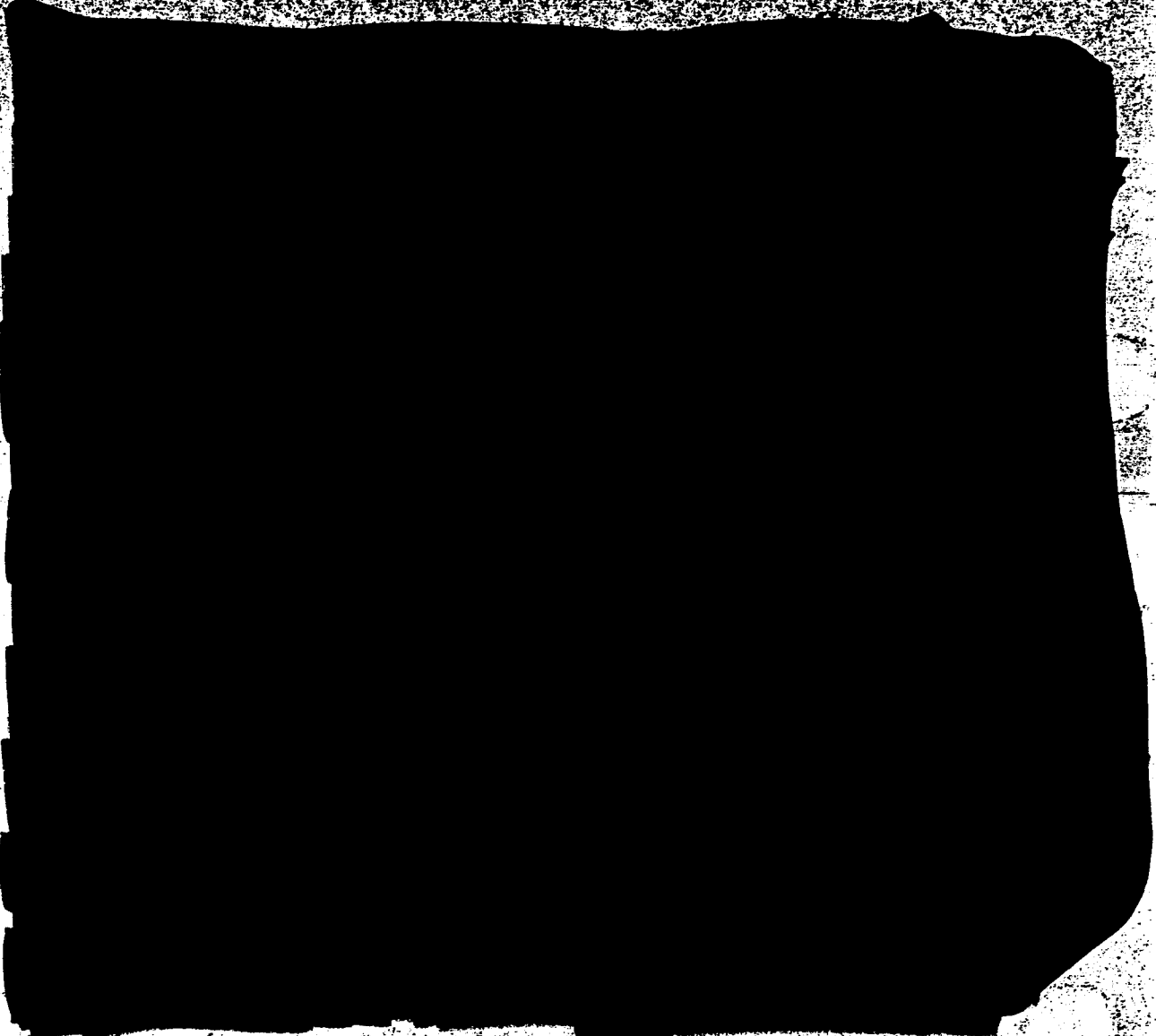
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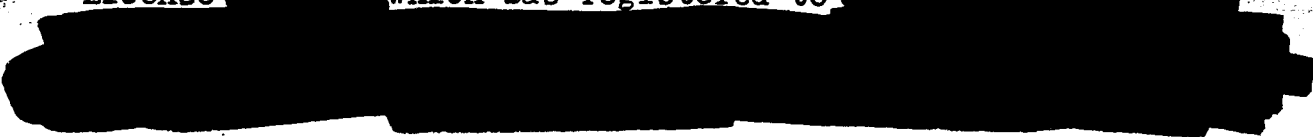
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On September 3, 1946, COSTELLO was observed by agents of the New York Office to be riding in a car bearing New York License [redacted] which was registered to [redacted]



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[REDACTED]

When BENJAMIN "BUGS" SIEGEL, the late racketeer, was under surveillance by agents of the New York Office in October 1946, it was noted that he frequently met with COSTELLO at the Copacabana Night Club in New York City. As a result of spot surveillances which had been maintained on COSTELLO in October 1946, it was ascertained that COSTELLO visits the lobby of the Waldorf-Astoria Hotel practically every day and makes many contacts and conducts some of his business there. Physical surveillances reflected that at approximately 6:00 PM each day he visits the Copacabana Night Club, where he conducts more business. COSTELLO was observed in the company of [REDACTED] well-known hoodlum who resides at [REDACTED]

COSTELLO was chauffeured by [REDACTED] who is the ex-chauffeur and bodyguard of BENJAMIN "BUGS" SIEGEL

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According to various newspaper accounts in NYC newspapers, exact dates not known, FRANK COSTELLO sponsored a dinner at the Copacabana Night Club, NYC, on 1/24/49, which, according to information elsewhere in this memorandum, has been alleged to be under control of COSTELLO. This dinner was for the benefit of the Salvation Army. COSTELLO had been appointed a Vice-Chairman of the Men's Division of a fund-raising campaign of the Salvation Army. It was reported in these newspapers that COSTELLO and his attorney, GEORGE WOLF, announced that one hundred and fifty persons each contributed \$100.00 to attend this dinner. It was disclosed by the Salvation Army that COSTELLO had personally donated \$10,000.00 to the Salvation Army in advance of the dinner. Reporters and photographers were prevented from entering the dining room at the Copacabana Night Club to see who was attending the dinner; however, GEORGE WOLF gave out a partial list of guests.

Among the officials present at this dinner, according to the newspaper accounts, were HUGO ROGERS, the Borough President of Manhattan, and leader of Tammany Hall; Supreme Court Justice THOMAS AURELIO, who is referred to previously in this memorandum as having admitted COSTELLO's help in securing AURELIO's nomination for this judgeship; Supreme Court Justice MORRIS EDER; Supreme Court Justice ALGERNON L. NOVA; Supreme Court Justice ANTHONY J. DIAGIOVANNA; Supreme Court Justice SAMUEL D. FALCO; County Judge THOMAS DOWNS; Special Sessions Justice JOSEPH V. BOSCALZO; City Court Justice LOUIS J. CAPOZZOLI; Commissioner of Elections CARMINE G. DE SAPIO; General Sessions Judge FRANK X. MANCUSO, presently Tammany leader of the 16th Assembly District and Chairman of the Tammany Elections Committee.

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Representative ARTHUR KLEIN, of the 19th Manhattan District; and JAMES E. BRANIGAN, President of the National Democratic Club.

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Newspaper accounts also reflected that there were in attendance at this dinner members of the underworld from Chicago, Illinois; Cleveland, Ohio; Newark, NJ; and NYC. Among those specifically known to have attended the dinner were PHILIP KASTEL, COSTELLO's partner in New Orleans, Louisiana; FRANK ERICKSON, the outstanding NYC gambler; and VITO GENOVESE, an outstanding NYC racketeer.

Various newspapers in NYC in January, 1949, reported that SAMUEL J. DI FALCO took office at that time as Justice of the Supreme Court of the State of New York and that DI FALCO immediately appointed as his secretary P. VINCENT VIGGIANO, a brother-in-law of JOSEPH "Socks" LANZA, well-known NYC racketeer.

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[REDACTED]

According to various accounts in NYC newspapers, exact dates not known, Dr. RICHARD HOFFMANN has been ascertained to be COSTELLO's personal psychiatrist. According to these newspapers, Dr. HOFFMANN said COSTELLO had come to him in the early part of 1947 because he did not sleep well and his mind was troubled. NY

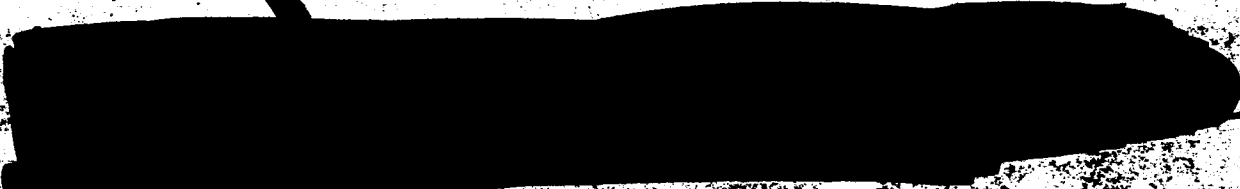
According to further newspaper accounts, in the early part of 1949, RICHARD HOFFMANN, JR., the son of COSTELLO's psychiatrist, was appointed secretary of the Department of Marine Navigation of the City of New York.

Various accounts in NYC newspapers, exact dates not known, indicated that in the early part of 1949, the name of Dr. CHARLES L. SINGER, a dentist, 677 West End Avenue, with offices at 1819 Broadway, NYC, and a member of the Tammany organization of the Second Assembly District, was submitted to the United States Senate as a nominee for Director of the United States Assay Office in NYC.


According to these newspapers, when it became apparent that Dr. SINGER was COSTELLO's dentist, his name was withdrawn by the White House.

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Newspaper reports, exact names and dates of these newspapers not being known, have indicated slot machines were legalized during 1949 in Prince Georges County and almost immediately after this legalization a representative of the COSTELLO Gambling Syndicate showed up at a hotel in Washington, D. C. equipped with a \$100,000 bank loan.



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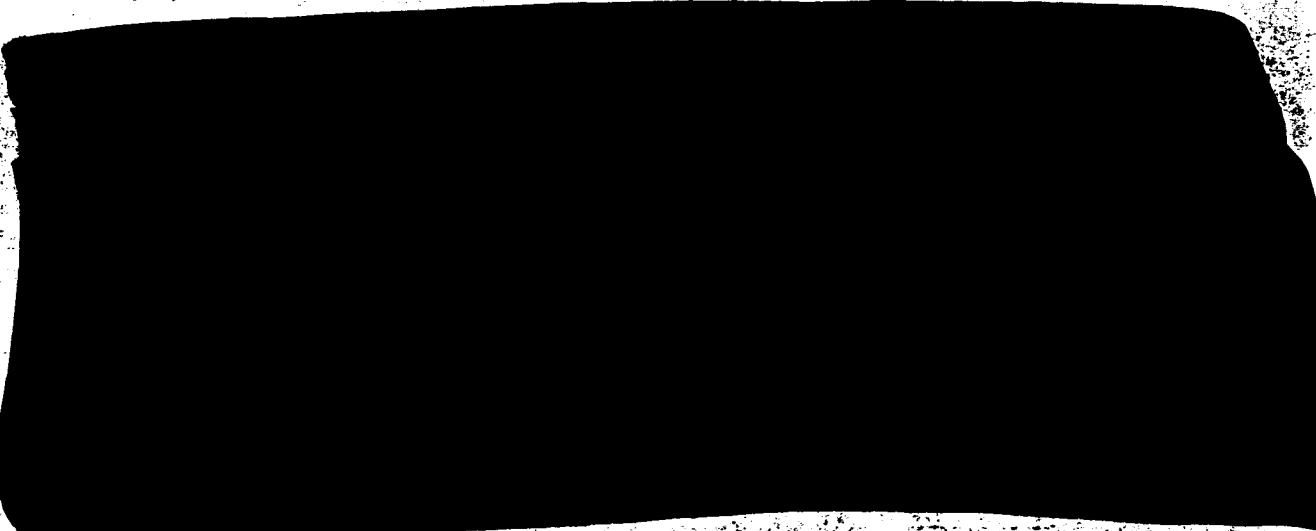
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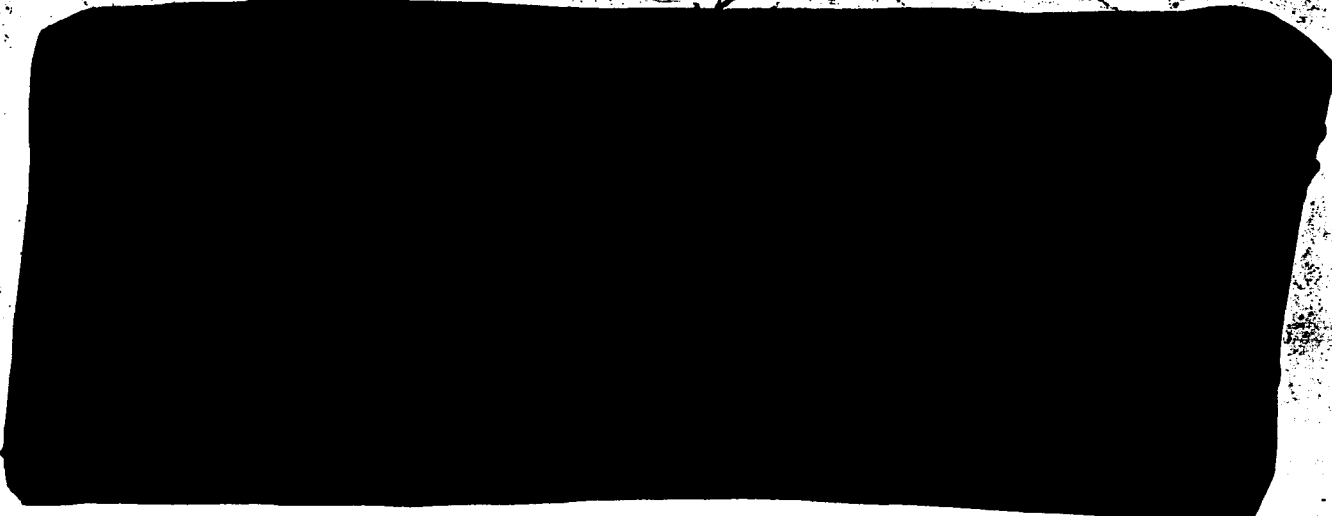
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Los Angeles also advised that the Santa Monica Independent newspaper was running a series of articles concerning gambling and bookmaking. The newspaper stated that local gambling in Santa Monica was organized into that syndicate, which was controlled by one man who in the case of gambling in Santa Monica had been residing in that city. The paper had alleged that this individual, in turn, is just one scene at the base of another pyramid moving forward during the master control of the nation-wide syndicate described as the MAFIA run by characters such as FRANK COSTELLO, FRANK ERICKSON, PHIL KASTEL and others.



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"The World Telegram and Sun" newspaper on 3/15/51 identified JOSEPH SCHOEENBAUM as having been the treasury man for 25 years, and indicated that when his relationship with COSTELLO became known to the Treasury Department he was called before the Intelligence Unit to face charges which concerned itself generally with that of consorting with criminals and others of low repute. When questioned concerning his activities with COSTELLO, SCHOEENBAUM refused to answer any questions and shortly thereafter resigned from the Treasury Department.

On 3/19/51 the "Daily News" newspaper carried an editorial which concerned itself with COSTELLO's activities. The article asserted that crime was on a syndicated level, but stated we do not have criminal mobs pulling gun battles in the streets or bombing one another's headquarters the way the CAPONES and their competitors used to do in Chicago.

The article stated that if organized crime were "rubbed out" hundreds of thousands of so called "little people" on the payrolls of many of the legitimate enterprises owned by racketeers would be out of jobs. It said that if the crime syndicate were wiped out they would also wreck a majority of legitimate businesses.

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The "Herald Tribune" newspaper of 3/27/51 carried an article which indicated that Attorney General J. HOWARD MC GRATH told a Senate Crime Investigating Committee on that date that there is no federal law under which the Justice

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Department could deport FRANK COSTELLO or have him stripped of his citizenship. The Attorney General pointed out that the case for denaturalization against COSTELLO was 25 years old, and that witnesses might be difficult to find and the government might or might not be able to prove its charges that COSTELLO had committed a fraud when applying for citizenship. It was stated that the Justice Department has recommended passage by Congress of a Senate bill which would make a conviction on any felony cause for deportation.

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On 3/31/51 the Senate without debate voted contempt citation against FRANK COSTELLO, JOE ADONIS and FRANK ERICKSON, who had appeared before the Wasserman Committee when it was in session in NYC.

On 4/2/51 FRANK COSTELLO was interviewed by WALTER WINCHELL, well-known correspondent at Miami Beach, Florida.

COSTELLO told WINCHELL that the tinct of the T. V. Newsreel and other things such as cameras in the Court room unnerved him, and that his conscience suffered considerably as a result. He told WINCHELL he was not a gangster; however, he added he can be quoted as saying he had not sold bibles all of his life. He claimed that his political influence was practically nil and his only interest in politics at one time stemmed from a "religious desire" to see Italian-Americans get a "better break" and the distribution of good political jobs in NY, where the heaviest Italian population is at the present time.

He claimed that the only possible solution for curing the ununsavory municipal conditions revealed by the Crime Committee was the legalization of gambling. He added that gambling could not be suppressed no matter how many laws were

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inacted nor how many policemen tried to enforce them. He compared the gambling situation with the prohibition era and commented that gambling was a worse situation because more people gambled in some form than drink. COSTELLO refused to answer the question as to his underworld and explained that that particular question was involved in the contempt proceedings.

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MEMO

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By letter of 4/6/51 the San Juan Office advised that the Press of the Virgin Islands had carried stories disclosing that LOUIS POKRASS, President of Tele-King Corporation of New York, was opening an electronics company in the Virgin Island. The San Juan Office determined that the company was to be known as the Robbins Electronics Corporation and that SYDNEY KEESLER and BEN WAYNE, operators of the Virgin Isle Hotel and various other enterprises in the Islands were to be associated with the business.

It was brought out, in recent press report on the investigation by the Kefauver Committee, that FRANK COSTELLO and MEYER LANSKY were, at one time, investors in Tele-King and that POKRASS was identified as an associate of COSTELLO and JOE ADONIS during Prohibition Days and a partner of "BUGSEY" SIEGEL in the Flamingo Hotel in Las Vegas.

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The "Herald Tribune" newspaper of 4/30/51 contained an article indicating that LIONEL MARKS, an associate of FRANK COSTELLO, offered to buy within a year the multi million dollar vacation village on Grand Bahama Island, sixty miles East of Palm Beach Florida for a reported four million sixty thousand dollars to be paid in cash. The plans of MARKS and his associates called for an additional expenditure of seven million dollars on improvements to property including a race track and club house.

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On March 13, 1951 COSTELLO testified and gave his home address as 115 Central Park West. However, immediately after answering the question as to his residence, his attorney, GEORGE WOLF, received permission to read a prepared statement.

This statement concerned itself with alleged public statements made by members of the Committee to the effect that COSTELLO was the leader of a national crime syndicate.

After the reading of the statement, COSTELLO admitted that when he was a boy, he was sometimes known by his mother's maiden name, "SEVERIO", and that he might have used that name in later life. He admitted that in 1950 he was arrested in New York State for possession of a revolver, and that he probably used the name FRANK SEVERIO at that time. COSTELLO then advised that he was unable to recall whether or not he had used any other names.

HALLEY thereupon produced an application for naturalization on which COSTELLO used the name FRANCISCO CASTAGLIA.

COSTELLO advised that he was at the present time in the real estate business. However, he stated he did not believe he was in the liquor business at the time he executed his application for naturalization. He testified that an individual by the name of SAUSSER and FRANK GOSS had witnessed his naturalization application; however, denied that either of these two individuals were at that time engaged in bootlegging. He stated that he had later bought liquor which was smuggled into the United States from Canada, and that he had sold it illegally and that he had purchased this liquor from a man named HARRY SAUSSER. However, he denied that this HARRY SAUSSER was in any way connected with the SAUSSER who witnessed his naturalization application. COSTELLO testified that he was engaged in buying liquor imported from Canada in approximately 1927, 1928 or 1929. However, he felt quite certain that it could not have been as early as 1922 or 1923. He stated that to the best of his recollection he did not think it was any earlier than 1927.



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Chief Counsel RUDOLPH HALLEY pointed out that COSTELLO's first declaration of naturalization was made in 1923, and that the date of the filing of these papers was May 1, 1925. HARRY SAUSSER, whose name appeared on his naturalization papers, gave his employment as being in the real estate business in Huntington, Long Island, and FRANK ~~GOSS~~, who also witnessed his naturalization papers, listed N.Y. his business as being real estate.

Senator TOBEY then remarked that if in fact there were a conspiracy between the parties involved to break the laws, and if at a later date COSTELLO were made a citizen, there would be a good possibility of deporting COSTELLO, since he had falsified the records.

COSTELLO then admitted that he had been indicted in 1925 for conspiracy to smuggle liquor into the United States. Mr. HALLEY established that GOSS and SAUSSER were among 62 co-defendants and that the case against COSTELLO was later dismissed by the late Federal Judge FRANCIS A. WINSLOW.

It was then brought out that COSTELLO was admitted to citizenship on September 10, 1925. COSTELLO denied that he ever engaged in the business of selling, purchasing, transporting or processing alcoholic beverages within the United States prior to that time. COSTELLO admitted that he had been a bootlegger for some time and that he had operated from an office located at 405 Lexington Avenue, New York City.

Mr. HALLEY then read from a statement of interrogation of COSTELLO in 1947 before the New York State Liquor Authority, in which he testified that he had been engaged in bootlegging from 1923 to 1926. COSTELLO admitted that he had made this statement; however, stated that after thinking it over, to the best of his recollection, he had never engaged in the bootlegging business prior to 1926 or 1927.

COSTELLO also denied that at the time he became a citizen and swore to uphold the Constitution of the United States, he was violating any of the laws of the United States. COSTELLO then refused to answer a direct question as to his current financial position on the grounds that it might incriminate him. He was asked specifically as to his net worth and refused to answer the question.

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COSTELLO named the following associates with whom he was connected in the Louisiana Mint Company in New Orleans. He described this company as being a slot machine company and his associates were as follows: PHIL KASTEL, New Orleans, part owner; CHARLES MURPHY, lawyer and certified public accountant who acted for COSTELLO in New Orleans; FRED RICKERFORD, part owner; DUDLEY GEIGERMAN, manager. LA.

COSTELLO then stated that he had been invited to go into the slot machine business in New Orleans in 1935 by the late Governor HUEY LONG. He stated that LONG had approached him to make a survey of New Orleans and determine how many locations could be had, since LONG wanted to pass legislation permitting slot machines so that the state could obtain revenue for an old age pension. COSTELLO admitted that the use of slot machines at that time in Louisiana were illegal. COSTELLO then stated that he was "retired" from the slot machine business in New Orleans.

COSTELLO further testified that PHIL KASTEL, RICHARDEFORD and CARLOS MARCELLA were all in partnership in the ownership and management of the Beverly Country Club in New Orleans. He said that he held a twenty percent interest. He refused to answer the question as to whether or not the Beverly Club had a gambling casino attached to it. LA.

HALLEY then read from another Senate Sub-Committee records before which COSTELLO had testified in April, 1950, at which time COSTELLO stated in answer to the same question, that the Beverly Country Club "just to make it clear; roulette and dice" were played there. He at that time testified that he received \$18,000 in salary in 1950 from the club.

When confronted with his former testimony, COSTELLO stated that his duties with the club, were merely to solicit different acts to appear at the club, and act as a good will man.

COSTELLO testified that in 1950 he sold the 79 Wall Street Corporation, at which time he realized a net profit of \$119,756.42. He also admitted that during 1950 he had earnings of \$26,800 as gambling winnings, and that during 1950 his total income was \$168,357.23, plus \$4,500 salary from the Beverly Club.

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COSTELLO then testified that in connection with another business deal he at two times borrowed \$25,000 from FRANK ERICKSON.

COSTELLO admitted that he was acquainted with W. H. ~~X~~GALLAGHER, Chairman of the Board of the Pennsylvania Exchange Bank but denied any knowledge of the fact that GALLAGHER had made a \$100,000 loan to ERICKSON. NY

COSTELLO then admitted that he had received \$60,000 from GEORGE MORTON LEVY for assisting in getting the bookmakers out of Roosevelt Raceway. He stated that the only thing he did to earn this money was to spread propaganda around that bookmakers would be arrested if they appeared at the park.

COSTELLO then admitted that he was friendly with WILLIE MORETTI, a New Jersey gambler, and admitted that MORETTI had telephoned him 130 times in 1943 while MORETTI was recuperating from an illness in California.

At the close of the session on this date, Senator O'CONNOR pointed out that COSTELLO had answered many questions throughout the day and had only refused to answer the question as to his net worth. He pointed out that COSTELLO and his attorney should consider this fact, since it would be necessary to propose a citation for contempt unless COSTELLO saw fit to answer that question on the following day.

COSTELLO continued his testimony on March 14 and at first denied detailed knowledge of the slot machine business conducted in Louisiana by "DANDY PHIL ~~X~~KASTEL", at which time Chief Counsel HALLEY read to him wiretap recordings that showed that COSTELLO was setting a price on the machines.

HALLEY then asked COSTELLO whether or not he had heard of an individual named JAMES ~~X~~MC LAUGHLIN, to which COSTELLO replied he had never heard of anyone by that name. COSTELLO then denied that IRVING SHERMAN had introduced JAMES MC LAUGHLIN who worked for the telephone company, to him. He also denied that MC LAUGHLIN had checked his telephone wires at his request and stated that he had never given anyone a contract to check his wires. COSTELLO also denied having given anyone any money to check his telephone wires.

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At that point Mr. HALLEY brought out testimony which COSTELLO in 1939 had given to a Treasury Agent. At that time COSTELLO stated that he had an interest in the Whitely Distillery.

[illegible]

When COSTELLO was recalled to the Stand his attorney, GEORGE WOLF informed the Committee that COSTELLO was ill and in view of the klug light heat and frequent interruptions, COSTELLO could not reply properly to questions put to him.

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COSTELLO then told the Committee that he was in no condition to testify and would not testify until he was well enough. COSTELLO said he was in very bad health and did not feel that he could, at any time, testify to any questions.

Mr. HALLEY reminded COSTELLO that he could be cited for contempt, at which time COSTELLO left the hearing.

Dr. VINCENT J. PANNETTIERE testified that he was an ears, nose and throat specialist with an office at 35-20 98th Street, Corona, Queens. He testified that he had visited FRANK COSTELLO on March 15, 1951 and testified generally as to COSTELLO'S throat. In answer to a question by RUDOLPH HALLEY as to whether COSTELLO could talk in a reasonable conversational basis, for reasonable periods, if he had urgent business requiring him to talk, Dr. PANNETTIERE answered that COSTELLO'S condition was such that it would not endanger his health under the conditions set forth by HALLEY.

On March 16, 1951 COSTELLO returned to the hearing room with his attorney, at which time, his attorney read another statement from a physician, Dr. DOUGLAS QUICK, 350 Park Avenue, New York City, indicating that COSTELLO was undergoing treatment for a throat ailment.

The Committee then asked that COSTELLO testify for a short time.

COSTELLO refused to answer questions saying, he did not feel that he was well enough to answer any question.

The Committee then announced that COSTELLO would continue under subpoena and that a Committee appointed physician would examine him.

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The "Daily News" of April 10, 1951 reflected that the United States Senate contempt citations of FRANK COSTELLO, FRANK ERICKSON and JOE ADONIS were turned over to United States Attorney, IRVING SAYPOL, for prosecution yesterday.

SAYPOL said that he would study the record before presenting the case to a Federal Grand Jury. He could not fix a date for the beginning of the presentation.

COSTELLO faces contempt punishment chiefly for his refusal to tell the Kefauver Crime Investigation Committee his net financial worth.

It was noted that COSTELLO claimed the constitutional privilege in that he said his comments would tend to incriminate him and he refused to testify.

On September 10, 1951, Federal Judge THOMAS F. MURPHY, Southern District of New York, scheduled a trial for FRANK COSTELLO, JOE ADONIS and FRANK ERICKSON on November 12, 1951 in connection with their indictment for contempt of the United States Senate.

The indictments were passed on refusals of the above three individuals to answer questions put to them by the Senate Crime Investigative Committee.

On January 5, 1952 COSTELLO'S trial for Contempt in connection with his appearance before the Senate Investigative Committee in New York City began at the United States Court House in New York City.

United States Attorney MYLES J. LANE presented the Government's case against COSTELLO which concerned itself generally with his refusal to testify before the Senate Investigative Committee.

COSTELLO'S attorney claimed that COSTELLO was in no physical condition to testify and furthermore that he did not feel that the atmosphere of television, et cetera, was conducive for his testimony for which reason he refused.

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RUDOLPH HALLEY testified on behalf of the Government.

Federal Judge SYLVESTER J. RYAN ruled that COSTELLO'S Constitutional rights were not infringed by his having to testify before television and newsreel cameras and left the matter as to whether or not COSTELLO'S Constitutional and civil rights were violated to the jury to determine whether or not COSTELLO was unable to testify because of his mental or physical condition.

On January 14, 1952 the case was given to the jury and they reported back to the judge at 3:55 P.M. on January 15, 1952 that they were hopelessly deadlocked and could not reach a decision. Judge SYLVESTER J. RYAN discharged the jury and the case was set to be retried on January 18, 1952.

The "Daily Mirror" newspaper on January 16, 1952 indicated that 11 of the jurors had voted for conviction of COSTELLO and only one held out for acquittal which resulted in a hung jury.

The "New York Post" newspaper on January 17, 1952 reflected that the contempt trials of racketeers JOE ADONIS and FRANK ERICKSON were being postponed until after the retrial of FRANK COSTELLO.

The retrial of FRANK COSTELLO began on March 31, 1952 and on April 4, 1952 the jury returned and found COSTELLO guilty on all counts of a ten-count indictment, charging him with refusing to answer questions before the Senate Crime Investigative Committee. The jury deliberated five and one-half hours.

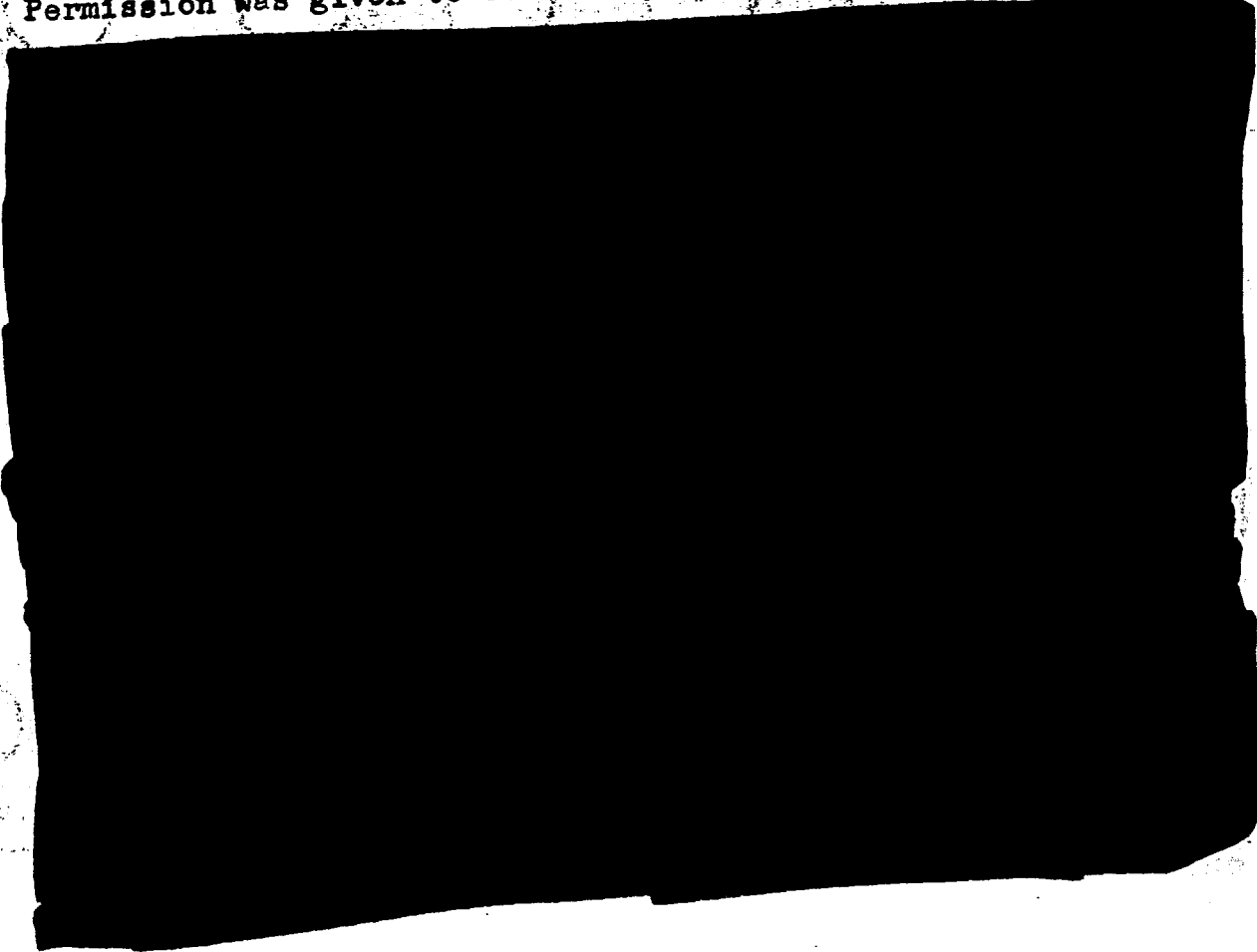
COSTELLO'S attorney filed a motion for retrial which was based on a story which appeared in the "New York Post" newspaper which related that a reporter of that paper had gone to the home of JOSEPH MONSKY, a juror, and had urged Mr. MONSKY, who was ill, to come to court. MONSKY did come to court and served on the jury.

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On April 8, 1952 COSTELLO was sentenced by Federal Judge RYAN to 18 months imprisonment and fined \$5,000.00.

After the jury was discharged in connection with COSTELLO'S first trial for contempt. COSTELLO made application to leave the jurisdiction to take a trip to Hot Springs, Arkansas. GEORGE WOLF, who represented COSTELLO, appeared before Federal Judge VINCENT L. LEIBELL, Southern District of New York, and told the court that COSTELLO was suffering from bursitis and that COSTELLO'S personal physician, Dr. DOMENICK SPOSTA, had recommended the bath at Hot Springs. Permission was given to COSTELLO to go to Hot Springs.



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During COSTELLO's visit to Hot Springs, Arkansas, his attorney in New York City filed a motion before Federal Judge LIEBELL requesting that COSTELLO be permitted to go to New Orleans. Judge LIEBELL refused to grant him permission and claimed there was not sufficient showing to permit COSTELLO to do any further travelling.

COSTELLO arrived back in New York City on October 24, 1951.

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The "New York Times" newspaper on October 31, 1951 contained an article which described a meeting between COSTELLO and RUDOLPH HALLEY at an East Side restaurant.

HALLEY explained in the article that he was having dinner at a restaurant with some friends and that COSTELLO apparently was having dinner with friends at the same restaurant and that they happened to leave simultaneously and when they reached the sidewalk COSTELLO grabbed his hand and shook hands with him.

JOSEPH T. SHARKEY, Acting City Council President, who was opposing HALLEY in the campaign for the Council Presidency at that time, had charged that HALLEY had said at this meeting, "FRANK", I'm sorry, I hope there are no hard feelings."

HALLEY explained the meeting at the restaurant but stated that he did not recall COSTELLO shaking his hand and also denied that he had spoken to COSTELLO.

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On July 3, 1952, the United States Court of Appeals, Second Circuit, unanimously upheld the conviction of FRANK COSTELLO for contempt of the Senate Crime Committee on counts 5, 6, and 8, but reversed the conviction on counts 1, 3, 4, 7, 9, 10 and 11 on which COSTELLO was found guilty on April 4, 1952 by the United States District Court. By the reversal of the above counts, COSTELLO'S imprisonment to a term of eighteen months continues. However, his fine was reduced from \$5,000.00 to \$2,000. The Appeals Court was made up of Judges AUGUSTUS N. HAND, HARRIE B. CHASE and JEROME FRANK.

On July 15, 1952, Justice ROBERT H. JACKSON, United States Supreme Court, denied an application for Stay of Mandate, ordering the imprisonment of COSTELLO.

On July 18, 1952, petition was made to the United States Court of Appeals, Second Circuit, for a rehearing of the appeal. This application for a rehearing automatically suspended the mandate.

On August 13, 1952 COSTELLO lost his last appeal when Supreme Court Justice JACKSON, for the second time, refused to permit COSTELLO to remain free on \$5,000.00 bail while awaiting appeal to the Supreme Court.

COSTELLO surrendered to the United States Marshal for the Southern District of New York on August 15, 1952, to begin serving the eighteen months sentence he received for contempt of the Senate Crime Committee.

After COSTELLO surrendered himself, he was taken to Lewisburg Penitentiary to serve his sentence.

The "New York Times" newspaper, on October 15, 1952 carried an article which indicated that COSTELLO had been removed from the Federal Penitentiary at Lewisburg, Pennsylvania to Atlanta Penitentiary. The article quoted Justice Department officials as saying that it was believed best to remove COSTELLO to a "more secure" institution.

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It is noted that in December, 1952 COSTELLO was interviewed by Bureau Agents at the Atlanta Penitentiary in connection with a deportation case against [REDACTED] b7C [REDACTED] COSTELLO was an admitted associate of [REDACTED] and when COSTELLO was questioned concerning his knowledge [REDACTED] he stated "I will only talk to my lawyer and my wife".

It is noted that both of these individuals are privileged.

The "New York World Telegram and Sun", on September 10, 1952, indicated that Attorney General JAMES P. MC GRANERY had decided to institute denaturalization proceedings against COSTELLO. The article further indicated that denaturalization proceedings would be based on the fact that COSTELLO concealed the fact that under the alias of FRANK SAVERIO, he had been convicted of carrying a concealed weapon, and had been sentenced to a year in jail. The article further continued that if COSTELLO obtained his citizenship under false pretences, his citizenship should be immediately revoked, and he should be deported.

The "New York Journal American" newspaper, on September 20, 1952, quoted Senator WILLIAMS of Delaware as saying that he had written a letter to Attorney General MC GRANERY, requesting that any Justice Department case of denaturalization against COSTELLO be held in abeyance until the Government was certain that all of his tax assessments had been collected, and that he was no longer a necessary witness at trials which may come up in the future concerning former key Government officials.

The "New York Times" newspaper of October 8, 1952 quoted RUDOLPH HALLEY, President of the City Council of New York, as saying that THOMAS LUCHESE, wa: "Three Finger Brown" had succeeded FRANK COSTELLO as the "political back of the organized crime syndicate".

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The article further quoted HALLEY as saying that the time has come to say that he is the boy I mean who is wearing the mantle of COSTELLO, explaining that, although, LUCHESE had been a threat to COSTELLO for the political leadership of the crime syndicate "they had been kept together by the common cause".

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The "New York Daily Mirror" on September 15, 1952 contained an article by DREW PEARSON which indicated that FRANK COSTELLO has not been deported because he has friends in high places. The article stated that COSTELLO'S friends in Congress have been revealed through a little black book carried by COSTELLO'S Washington lobbyist, MURRY OFF, who was actively working to defer the slot machine bill and was fighting all legislation which would hamper gambling.

PEARSON further stated that COSTELLO'S lobbying tactics included entertaining certain congressmen at dinner and parties and that OFF, an ex-convict and former prison mate of JAKE GUZIK (well known Chicago hoodlum) occupied a suite at the Congressional Hotel where he held court for congressmen. OFF allegedly, picked up bar-taps, loans his telephone for long distance calls and threw parties every Friday.

On February 24, 1953, the United States Attorney for the Southern District of New York, MYLES J. LANE, made an application before the court to have a receiver appointed and to enjoin COSTELLO and his wife, LORETTA, from disposing of their property until a government income lien totalling \$486,722.00 was satisfied. The government stated that an appointment of a receiver was the only means the government had to pry into any secret assets that COSTELLO may have.

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The "Long Island Daily Press" for March 12, 1952 announced that FRANK COSTELLO'S troubles were piling up while he was serving his eighteen months sentence in Federal Prison, Milan, Michigan. It announced that a Federal Grand Jury indicted COSTELLO on charges of evaded \$73,437.00 in income taxes for the years 1946 and 1949, thus spoiling any chance he may have had for a parole. It stated that a warrant for his re-arrest was sent to the Milan Prison so that when he finishes his present sentence on February 14, 1954, he will be taken back to Manhattan for trial on the new indictment. If he is convicted, he could be sentenced for five years and fined \$10,000.00 on each of the four counts of indictment. In addition, as previously mentioned, he faces deportation proceedings and a civil suit by the government for \$700,000 in tax claims. In addition to this, previously mentioned, the government is also suing him to prevent either he or his wife from arranging a mortgage on transferring any of their property until the government is paid up completely.

On April 23, 1953, COSTELLO pleaded not guilty to an indictment charging he evaded more than \$73,000 income taxes. COSTELLO had been brought by car from Milan to New York. Judge JOHN W. CLANCY released him on \$5,000.00 bail and he was remanded to the Federal House of Detention in New York sending COSTELLO'S plea to remain in a New York jail claiming he should have been incarcerated in "common jail". Federal Judge SYLVESTER RYAN denied his plea on May 27 and COSTELLO was returned to Milan, Michigan.

It is noted that upon COSTELLO being sentence he was first confined to Lewisburg Federal Penitentiary, later transferred to Atlanta Federal Penitentiary for security reasons and finally transferred to the Federal Correctional Institution at Milan, Michigan.

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The "New York World Telegram and Sun" newspaper on December 9, 1952 printed an article stating that the State Crime Commission was hunting for VITO GENOVESE, ruthless underworld dictator, in whose mind the article said "lies the secret of the link between crime and politics in New York". The article concluded by stating that in 1949 Governor THOMAS E. DEWEY publicly declared that GENOVESE who was then interesting himself in the political aspirations of BILL O'DWYER had supplanted FRANK COSTELLO as chief in the New York underworld.

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The "New York Daily News" of October 30, 1953 reflected that COSTELLO was released from Milan Michigan Federal Penitentiary on October 29, 1953. This article indicated that COSTELLO stepped from the Federal Prison into the back seat of a chauffeured limousine and raced away at speeds up to 100 miles per hour in an attempt to avoid reporters. The newspaper article indicated that employees of the New York Central Railroad had reported that COSTELLO boarded the "Detroiter", a train scheduled to arrive in New York at 7:55 a.m. on October 30, 1953.

The New York "Daily News" of November 2, 1953 contained an article indicating that FRANK COSTELLO sought permission on November 1, 1953 in Federal Court to leave the jurisdiction of United States District Court, Southern District of New York for awhile.

It was noted that COSTELLO was scheduled to go to trial December 7, 1953 on charges of dodging payment of \$73,437.00 to the Federal Government in taxes between 1946 and 1949. COSTELLO was represented by JOSEPH L. DELANEY, his attorney, who asked United States District Judge EDWARD A. CONGER to direct the United States Attorney's Office to show cause why COSTELLO should not be allowed to leave New York City.

DELANEY told the court that COSTELLO needed to visit New Orleans and "possibly other places" where books relating to his income are kept.

The "New York World Telegram and Sun" of November 4, 1953 reflected that Federal Judge EDWARD J. DIMOCK ruled on that date that FRANK COSTELLO could visit his home in Sands Point, Long Island but would not be allowed to go to New Orleans or other distant points.

Judge DIMOCK told COSTELLO'S attorney that COSTELLO could renew his plea for permission to travel if he submitted sufficient evidence to warrant such travel.

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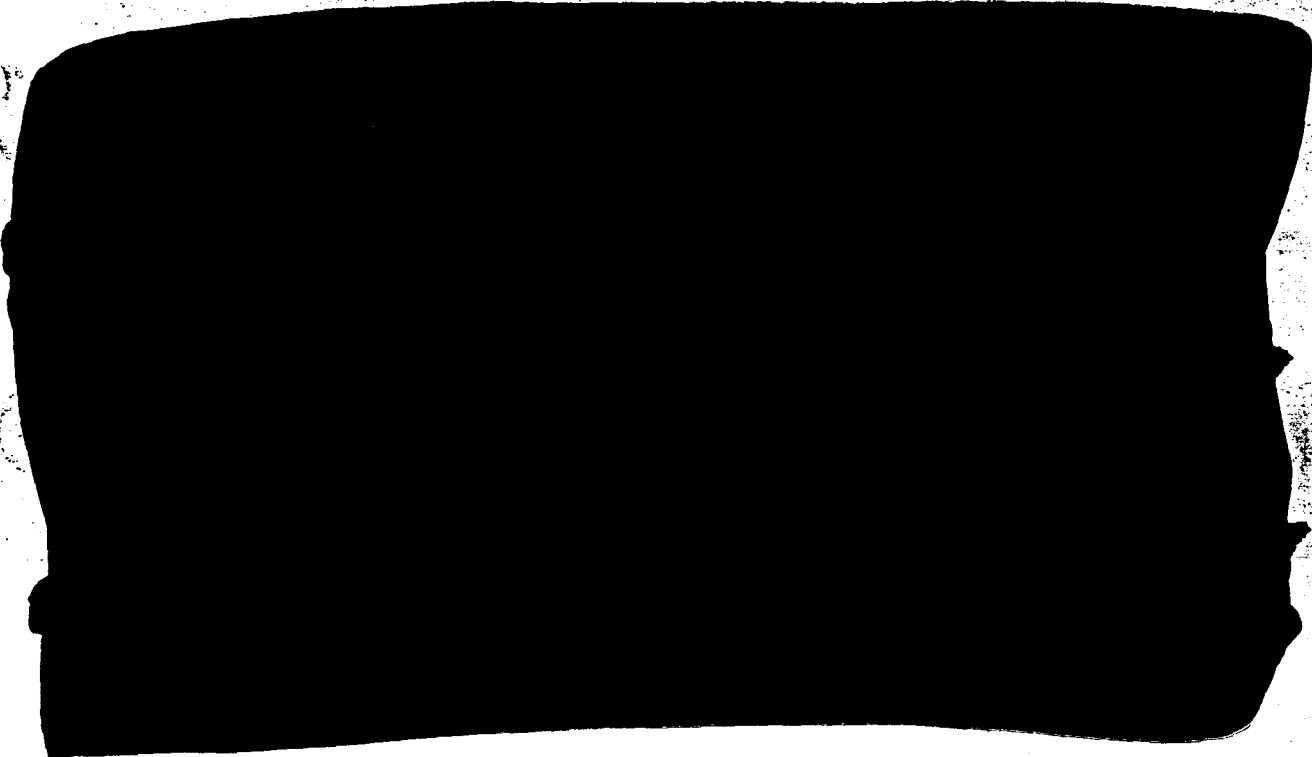
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MEMO

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The "New York Daily News" of November 8, 1953 contained an associated press article datelined November 7, 1953 at Atlanta, Georgia, which indicated an anti-slot machine crusader declared that interests controlled by New York gambler FRANK COSTELLO are sneaking gambling devices into Atlanta in a million dollar deal. This charge was made November 6, 1953 by Solicitor JOHN I. KELLY of Criminal Court who was seeking a court order for destruction of 41 slot machines seized when they were released by Federal Authorities.

KELLY said a deal amounting to almost a million dollars was recently completed here by a firm he said is "fronting" for COSTELLO. KELLY charged that the transaction was the first step of a move to gain entry under the guise of a legal enterprise and then branch out into slot machines. KELLY charged that the next step should be an attempt to "fix" law enforcement officers. Only then, he added, would the underworld flow of gambling devices begin.



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The "New York Daily News" of February 5, 1954 reflected that the trial of FRANK COSTELLO on income tax evasion charges scheduled for March 1, 1954 was postponed on February 4, 1954 until April 5, 1954. The article stated that COSTELLO'S attorney, LEO C. FENNELLY, stated that he needed more time to prepare a defense.

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Case Files New York Office

In addition to the general investigative intelligence file, concerning FRANK COSTELLO the following case files are also located in the New York Office:

1. NY 46-1884  
Entitled

FRANK COSTELLO;  
AERODYNAMIC RESEARCH CORPORATION;  
KENSINGTON SHIPYARD and DRYDOCK  
CORPORATION; ET AL,  
FAG  
Washington Field

Origin

This investigation was conducted in 1947 as a result of information that FRANK COSTELLO had obtained interest and control of Aerodynamic Research Corporation, non-profit tax free corporation in Washington, D.C., as a means of avoiding income tax from war profits of four plants owned by Aerodynamic. Investigation failed to establish that COSTELLO had any such interest.

2. NY 58-577  
Entitled

FRANK COSTELLO,  
BRIBERY

This case was predicated on information appearing in the "New York Daily Mirror" March 30, 1951 on page 10 in the column entitled WALTER WINCHELL in New York which column contained a sentence stating FRANK COSTELLO's tips to courtroom employees amounted to \$600.00.

Investigation in this case resulted in denials of members of the United States Marshal's Office and other court house employees of having accepted money or anything of value from FRANK COSTELLO or his attorney, GEORGE WOLF. Investigation also developed information that WINCHELL'S information was possibly the outgrowth of a practical joke initiated in the Pressroom of the United States Court House among the members of the Press.

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Investigation in this case was discontinued upon the opinion of the United States Attorney's Office indicating that further investigation is not warranted under circumstances set forth above.

3. NY 62-11163  
ENTITLED

FRANK COSTELLO; ET AL  
INFORMATION CONCERNING U.S.  
PRISON IRREGULARITIES,  
U.S. PRISON LEWISBURG, PA.



4. NY 69-51  
ENTITLED

FRANK COSTELLO,  
CONTEMPT OF CONGRESS

Investigation in this case was conducted during the early part of 1952 at the request of the United States Attorney's Office, SDNY, in connection with COSTELLO'S trial for Contempt of Congress.

Investigation was terminated upon COSTELLO'S conviction.

5. NY 74-182  
ENTITLED

FRANK COSTELLO;  
[REDACTED] ET AL  
PERJURY.

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NY 94-419 Sub 22

Investigation in this case was instituted in 1951 at the request of the Office of the United States Attorney for SDNY in connection with alleged perjury by COSTELLO and other witnesses before the United States Senate Investigative Committee.

Investigation was discontinued based on the opinion of the United States Attorney's Office that successful prosecution could not be had, inasmuch as corroborative evidence and witnesses were not located.

Description

The following is a description of FRANK COSTELLO

Name	FRANK COSTELLO
Aliases	Francisco Costaglia, Frank Saverio, Francesco Saverio, [REDACTED], Frank Castello, Frank Stello, Born 1893, Calabria, Italy. b7D
Age	5'7"
Height	170 pounds
Weight	Medium
Build	Dark Chestnut
Hair	Dark brown
Eyes	Medium
Complexion	115 Central Park West
Residences	New York, New York (City address) Barkers Point Road Sands Point, Long Island (country address)
Citizen	Naturalized
Marital Status	Married

Criminal Arrest Record

FRANK COSTELLO: FBI 936217

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Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
Police Dept. New York City	FRANK COSTELLO #B-38412	5/31/35	conspiracy	6/3/37, dismissed
	as FRANK COSTELLO	Manhattan, May 31, 1935,	conspiracy	
	(Federal case);	Deputy United States Marshal, (per information received from NYC).		
Federal Detention Headquarter NYC	FRANK COSTELLO #28331	10/9/39	conspired to evade payment of taxes	10/10/39 bail
United States Marshal NYC	FRANK COSTELLO #C-23-463	10/9/39	evading payment of taxes and Section 1014 USKS to SD of Louisiana	released on bail 10/10/39 complaint dismissed 11/8/39
United States Marshal NYC	FRANK COSTELLO #C-1760-51	7/25/51	Contempt	pending
Federal Detention Headquarters NYC	FRANK COSTELLO #64136	8/15/52	refusing to answer Senate Committee	1 year 6 months see notation
U.S. Penitentiary, Lewisburg, Pa.	FRANK COSTELLO #20125	8/22/52	refusing to answer certain questions before Senate Sub-Committee investigating crime	1 yr. 6 months 10/9/52 trans. to Atlanta
U. S. Penitentiary Atlanta, Ga.	FRANK COSTELLO #72866	10/10/52	in transfer from U.S. Penitentiary Northeast	investigation, Crime Contempt before Senate Sub-Committee 18 months

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- ☒ The following number is to be used for reference regarding these pages:

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FA

Assistant Attorney General T. Vincent Quinn

March 18, 1948

62-76543-✓  
Director, FBI

FRANK COSTELLO, ET AL

Reference is made to your memorandum of March 2, 1948, your file TVQ:mcm, in which you request to be furnished with complete information contained in the Bureau's files relating to some 73 individuals and organizations.

An examination of the Bureau's files discloses that all information contained in the Bureau's files relating to any possible violation of a Federal Statute on the part of any of these individuals has been furnished to the Division of Records of the Department from time to time as this information was received in the Bureau.

The Bureau does not possess any information of an evidentiary value which has not been previously furnished to the Department.

67c  
1 ENCL

5 - MAY 10 1954

52 APR 30 1954

APR 12 1948

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI  
FROM : SAC, New York (94-419, Sub file 22)  
SUBJECT: GENERAL INVESTIGATIVE INTELLIGENCE FILE  
FRANK COSTELLO, was  
FBI #936217  
TOP HOODLUM COVERAGE  
Re SAC letter 53-58.

DATE: 3/31/54

This is to advise that no pertinent developments concerning above captioned subject have been developed since the summary memorandum dated 2/24/54.

~~EXP. PROC.~~

RECORDED-14

EX - 107

162-265437

APR 8 1954

55 APR 15 1954

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FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

APR 6 1954

TELETYPE

WASH 3 FROM NEW YORK

6 407 P

DIRECTOR URGENT

Mr. Tolson  
Mr. Boardman  
Mr. Nichols  
Mr. Belmont  
Mr. Glavin  
Mr. Harbo  
Mr. Rosen  
Mr. Tamm  
Mr. Tracy  
Mr. Egan  
Mr. Gurnea  
Tele. Room  
Mr. Holloman  
Miss Gandy

FRANK COSTELLO, INTERNAL REVENUE MATTER. BY LETTER DATED APRIL FIFTH, FIFTYFOUR, LLOYD F. MAC MAHON, CHIEF ASSISTANT U. S. ATTORNEY, SDNY, ADVISED [REDACTED] IS AN ESSENTIAL WITNESS WHOM THEY HAVE BEEN UNABLE TO LOCATE, HAVING EXHAUSTED ALL MEANS AT THEIR DISPOSAL, AND THAT HE WOULD APPRECIATE ANY HELP AS SOON AS POSSIBLE. HE STATED THAT [REDACTED] WAS LAST KNOWN TO HAVE RESIDED AT [REDACTED]

[REDACTED] AND HAD BEEN ENGAGED AS [REDACTED] FROM NINETEEN FORTY TO FORTYTWO. HE WAS AN ASSOCIATE OF [REDACTED] ETAL, AND IN KEFAUVER TESTIMONY, VOLUME SEVEN, INFORMATION WAS DEVELOPED THAT [REDACTED]

[REDACTED] AND FRANK COSTELLO HAD A FIFTY PERCENT INTEREST IN THIS VENTURE. MR. MAC MAHON, IN THIS LETTER, STATED THAT THERE WAS SOME DISPUTE AS TO COSTELLO-S PERCENTAGE AND THE BEST INFO WAS THAT COSTELLO HAD NO DIRECT INTEREST [REDACTED]

[REDACTED] WAS REPRESENTED IN THIS VENTURE BY AN ATTORNEY NAMED [REDACTED]

HE ADVISED THAT ANY ASSISTANCE WHICH COULD BE GIVEN [REDACTED] WOULD BE APPRECIATED. REVIEW OF NYO

END PAGE ONE

Mr. Rosen

PAGE TWO

INDICES DISCLOSED NOTHING PERTINENT AS TO THE PRESENT LOCATION [REDACTED]

[REDACTED] AND ON APRIL SIXTH, FIFTYFOUR, MR. MAC MAHON WAS b7c  
b7c TELEPHONICALLY SO ADVISED. MR. MAC MAHON STATED THAT HE DID NOT  
ANTICIPATE THAT THERE WOULD BE ANY PERTINENT INFO IN OUR FILES  
BUT THAT HE WAS DESIROUS OF HAVING INVESTIGATION CONDUCTED BY THE  
FBI LOOKING TOWARD THE LOCATION [REDACTED] IT WAS POINTED OUT TO  
HIM THAT SUCH INVESTIGATION SHOULD BE CONDUCTED BY INTERNAL REVENUE b7c  
AND NOT BY THE FBI SINCE INTERNAL REVENUE HAD JURISDICTION OVER THE  
INCOME TAX VIOLATION ON WHICH COSTELLO WAS BEING TRIED AND IN WHICH  
b7c [REDACTED] WAS CONSIDERED AN ESSENTIAL WITNESS. MR. MAC MAHON STATED  
HE BELIEVED THAT THIS MATTER SHOULD BE HANDLED BY THE FBI EVEN THOUGH  
IT WAS AN INCOME TAX TRIAL SINCE HE FELT THAT THE FBI WAS BETTER  
EQUIPPED TO LOCATE A WITNESS THAN WERE THE INTERNAL REVENUE  
"ACCOUNTANTS" AND THERE POSSIBLY WAS AN OBSTRUCTION OF JUSTICE b7c  
CASE PREDICATED SOLELY ON THE FACT THAT [REDACTED] COULD  
NOT BE LOCATED. IT WAS POINTED OUT TO MR. MAC MAHON THAT THE  
RESPONSIBILITY FOR LOCATING THE WITNESS WAS THE INTERNAL REVENUE-S  
AND NOT THE FBI-S BUT THAT IF WE RECEIVED ANY INFO FROM OUR INFORMANTS  
AND SOURCES [REDACTED] b7c IT WOULD BE BROUGHT TO HIS ATTENTION.  
MR. MAC MAHON IN A RATHER SARCASTIC VEIN STATED "THANKS FOR THE  
COOPERATION". THIS APPARENTLY IS ANOTHER EFFORT BY THE USA-S  
OFFICE, SDNY, TO USE THIS OFFICE FOR INVESTIGATIONS NOT WITHIN OUR  
JURISDICTION.

KELLY

END ACK PLS

WA NY R 3 WA FCH

CC: MR. ROSEN  
AND SUPERVISOR  
INVESTIGATIVE DIVISION

*We are not going  
to get into this. 2.*

*memo 4/6/54  
ASAC MC CABE  
to tell me Mahon  
could not find  
evidence*

b7c

DIRECTOR, FBI

April 8, 1954

SAC, MIAMI (62-1273 Sub Section E)

FRANK COSTELLO

MIAMI FIELD DIVISION

GENERAL INVESTIGATIVE INTELLIGENCE FILE  
TOP HOODLUM COVERAGE

Re SAC Letter Number 53-58. 3-1

Enclosed will be found individual memoranda on each of the 50 persons who are currently classified as top hoodlums by the Miami Field Division, which memoranda contain information that has been brought to our attention regarding these persons in the past six months.

Copies of the memoranda prepared on [REDACTED] FRANK COSTELLO, [REDACTED] are being forwarded herewith to the New York Office inasmuch as those individuals have been classified as top hoodlums in the New York Field Division. For the same reason, copies of the memoranda on [REDACTED] are being furnished the Cleveland Division; memoranda on [REDACTED] are being furnished to the Newark Field Division; memoranda on [REDACTED] are being furnished the Detroit Division; and a copy of the memorandum on [REDACTED] is being furnished the Chicago Field Division.

Enclosures 50

- b7c
- 1 - Cleveland (Encls. 3)
  - 1 - Newark (Encls. 2)
  - 1 - New York (Encls. 5)
  - 1 - Chicago (Encl. 1)
  - 1 - Detroit (Encls. 2)

All Above  
b7c

RECORDED - 26

EX - 107

162-76543-72  
NOT RECORDED  
193 APR 21 1954

26  
ENCL

68 APR 30 1954

Miami, Florida  
March 31, 1954

RE: FRANK COSTELLO, WAS.  
GIIF (TOP HOODLUM COVERAGE)

COSTELLO is not known to have been in Florida since his release from prison at Milan, Michigan, October 29, 1953. He still owns the lot at Hollywood Boulevard and 11th Avenue, Hollywood, Florida, where he originally started construction of a home. However, this building was abandoned after adverse publicity and construction has not been resumed.

No additional information has been received relative to any new interests he may have in Florida.

ENCLOSURE

62-76543-12

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET11

Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

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☐ For your information: \_\_\_\_\_

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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Office Memorandum • UNITEL GOVERNMENT

TO : Director, FBI  
 FROM : SAC, NY (94-419; sub 22)  
 SUBJECT: FRANK COSTELLO, was  
 GIIF  
 TOP HOODLUM COVERAGE

DATE: 9/17/54

G.I.R.-9

ReNYlet to Bureau, 2/24/54.

There is attached for the information of the Bureau two copies of a memorandum prepared by this office concerning captioned subject.

It is noted that this is a review of all references and investigation concerning COSTELLO contained in the NYO indices subsequent to the memorandum submitted by relet.

In accord with the TOP HOODLUM COVERAGE PROGRAM, this file is being maintained in a pending status and additional investigation will be conducted to keep current with COSTELLO'S activities and associates.

Copies of this memorandum are being designated for the Albany Office, the Little Rock Office, The Miami Office, the Newark Office, and the New Orleans Office for reasons as set forth in referenced letter.

2 ENCL  
 68 du

Encs. (2)

- 1-Albany (Enc. 1)
- 1-Little Rock (Enc. 1)
- 1-Miami (Enc. 1)
- 1-Newark (Enc. 1)
- 1-New Orleans (Enc. 1)

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EX - 107

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53 SEP 29 1954  
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EXP. PROC.

MEMO

New York, New York  
September 17, 1954

GENERAL INVESTIGATIVE INTELLIGENCE FILE

FRANK COSTELLO, TOP HOODLUM COVERAGE

FRANK COSTELLO, was:  
Francesco Costaglia, Frank Saverio,  
Francesco Saverio, [REDACTED]  
Frank Costello, Frank Costello  
FBI Number 936217

67D

The following information concerning FRANK COSTELLO is a result of a review of all information pertaining to the subject and of investigation conducted concerning the subject contained in the files of this office subsequent to February 24, 1954.

BACKGROUND

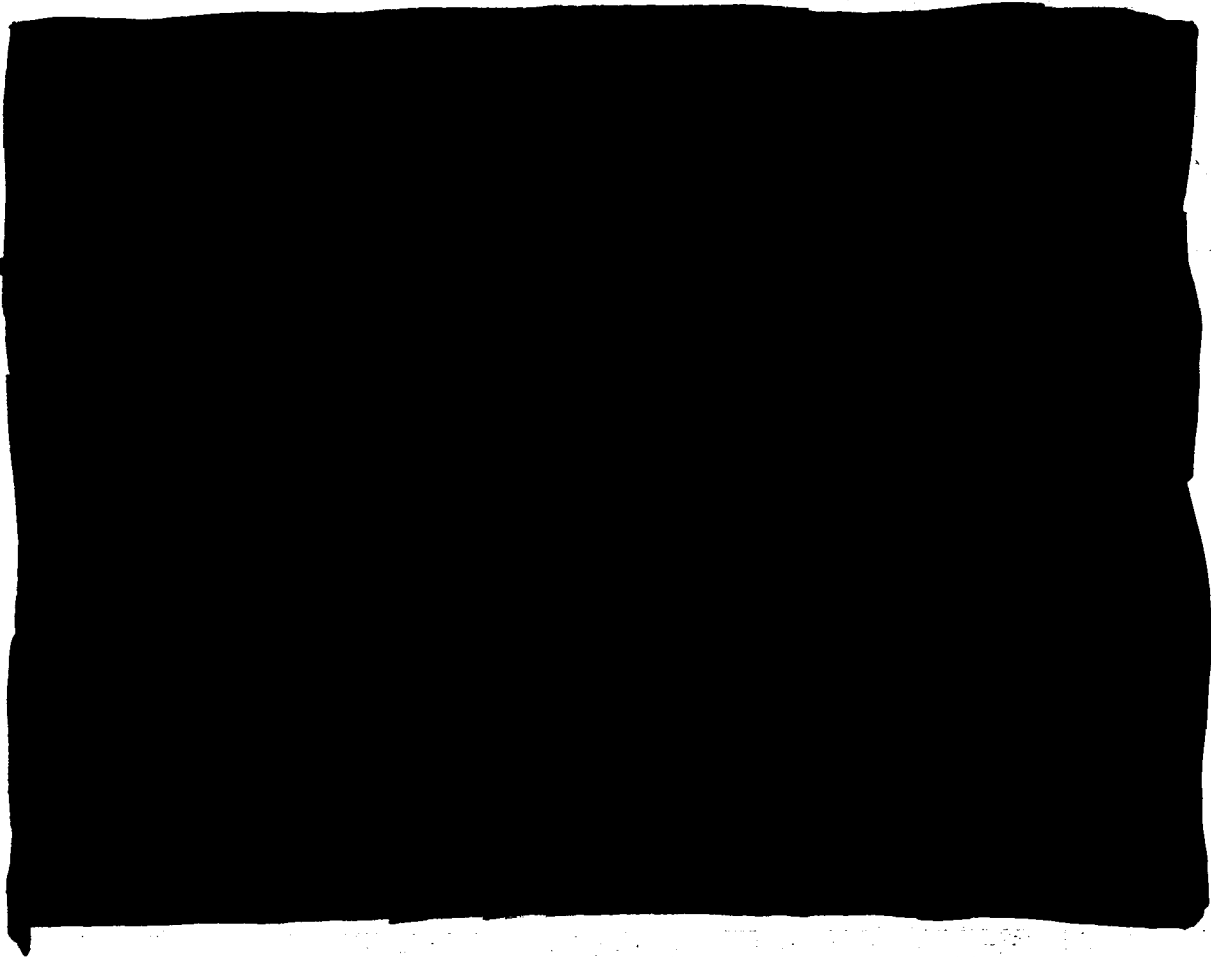
FRANK COSTELLO continues to reside at 115 Central Park West and maintains a summer home at Sands Point, Long Island. A review of the background data contained in the records of the Federal Detention Headquarters, New York, New York, where COSTELLO has been recently incarcerated in connection with an income tax evasion case in which he is the defendant, indicates that he is sixty-one years old, born in Calabria, Italy, a United States Citizen, retired and has five years education. His wife's name is LORETTA COSTELLO who resides with him. These records indicate his Central Park West telephone number to be TR 4-2325.

It is noted that COSTELLO is presently on \$50,000 bail pending his appeal on his conviction for evasion of income tax which will be set forth hereafter. The conditions of this bail allow him to leave the Southern District of New York, which is the place of his conviction, only to travel to Sands Point, Long Island, his summer home, which is located in the Eastern District of New York.

MEMO

Although COSTELLO has petitioned the court to allow him to leave these two jurisdictions to travel to New Orleans, Miami, and other points in the United States for the purposes of business, and in order to raise the fines assessed against him in connection with his conviction, this petition has been denied by the court and his movements are limited to the above two jurisdictions.

CRIMINAL ACTIVITIES



b7D, c

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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MEMO

The New York "Daily News" of January 28, 1954 contained an article by JAMES DESMOND, Staff Correspondent, indicating that while CHARLES (LUCKY) LUCIANO was in State Prison serving time for "white slavery", four well known mobsters had free access to visit him. These persons were named as FRANK COSTELLO, "acknowledged as the most important gangster in the country", JOSEPH (SOCKS) LANZA, "the fish market extortionist", MEYER KANSKY, "recently released after serving time for conspiracy in the Saratoga gamble scandal," and the late WILLIE MORETTI, the Jersey racketeer, who was killed "after he talked too much to the Keafauver Committee" N.Y.



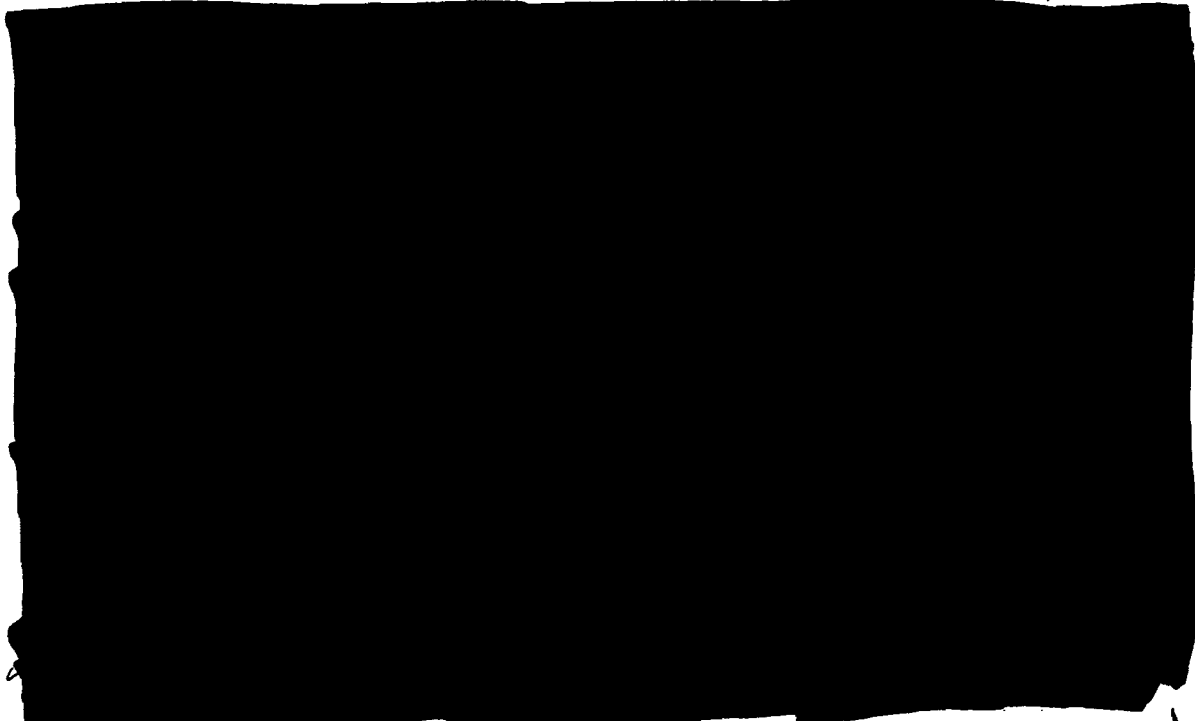
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C

An article appearing in the New York "Daily News" of February 4, 1954 reflected that FRANK COSTELLO, who was reportedly paid \$65,000 to keep bookmakers away from the Roosevelt Raceway, was quizzed for two hours February 3, 1954 by the Moreland Act Commission on harness racing.

MEMO

The article stated that COSTELLO was examined on his past or present links with the trotting tracks, dealings with labor rackets connected with the tracks and hidden ownership of stock in the racing tracks.

The article stated that COSTELLO'S purported deal to keep bookies from Roosevelt had been revealed by GEORGE MORTON LEVY, Roosevelt Boss, at a Senate Criminal Investigating Committee Hearing in 1951. The article indicated that since that hearing, a number of COSTELLO'S associates had been linked with the operations of the track. COSTELLO refused to comment to reporters upon his exit from the hearing.



In March 1952 while COSTELLO was serving an eighteen month sentence at United States Federal Prison in Milan, Michigan, a Federal Grand Jury in the Southern

b7D,  
c

MEMO

District of New York, New York, New York, returned a four count indictment charging COSTELLO with the evasion of \$73,437 in income taxes during the years 1946, 1947, 1948 and 1949. According to the New York "Daily Mirror" of April 7, 1954 the United States Government opened its income tax case against COSTELLO on April 6, 1954.

In his opening statements Assistant United States Attorney FLOYD MAC MAHON related that the Government had scheduled a large number of witnesses including notorious underworld characters which would prove the Government's charges that COSTELLO'S expenditures during the years 1946 through 1949 were far in excess of the amount he returned as income during these years. MAC MAHON explained to the jury that the government needed a base year upon which to check COSTELLO'S net worth and went back to its investigation in 1937 when COSTELLO had stated under oath that he was worth some \$40,000.

MC MAHON revealed that a "net worth and expenditure" check had been made from 1937 through 1949 and that it was upon this check that the Government was basing prosecution.

The following article appeared in the New York "Herald Tribune" of May 14, 1954:

"FRANK COSTELLO was convicted last night on three of four counts of evading federal income tax. He will be sentenced Monday. The maximum penalty is five years in prison and a \$10,000 fine of each count. The jury of seven men and five women deliberated eight hours, ten minutes in the United States District Court, before returning a verdict at 9:35 p.m. that the sixty-one year old gambler was guilty of underpayment of taxes in 1947, 1948 and 1949.

"The government had offered evidence that the total evasion in four years was \$52,239 although the indictment had charged a total of \$73,437. The jury found COSTELLO innocent on the first count involving his 1946 return in which the disparity charge was \$8,338 paid and \$13,224 due. COSTELLO did not testify in the trial which began April 5.

"Judge JOHN F. X. MC GOHEY continued the defendant in \$5,000 bail until 11:00 am today when it will be raised

MEMO

to \$25,000, the maximum requested by LEO C. FENNELLY, Chief Defense Council. LLOYD F. MAC MAHON, Chief Assistant United States Attorney had suggested \$50,000 but conceded under questioning by the judge that he had no evidence that COSTELLO might not be available for sentencing.

"Mr. FENNELLY announced that he will appeal the verdict. Pending the outcome of the appeal, COSTELLO would be limited in his freedom to the Southern District of New York except for travel to and from his home in Sands Point, Long Island.

"The jury got the case at 11:25 a.m. after a forty minute charge by Judge MC GOHEY which COSTELLO termed eminently fair.

"On three occasions yesterday the jury, which had listened to one hundred fifty prosecution witnesses and only one defense witness, called for exhibits dealing with COSTELLO'S returns. Then at 4:05 p.m. the jurors asked to have read to them the entire cross-examination - some one hundred pages - of the sole defense witness, an accountant who was a former Federal Bureau of Investigation Agent. The reading was completed at 5:40 p.m.

"COSTELLO was released from prison in October after serving fourteen months of an eighteen month term for contempt of the Keafauver Senate Crime Investigating Committee. He still faces denaturalizing proceedings, the first step in the Justice Department's attempt to deport him to his native Italy. In addition, a Civil Suit for back taxes is also hanging over his head."

On May 17, 1954 COSTELLO appeared before the Honorable Judge JOHN F. X. MC GOHEY, Southern District of New York, where he received a sentence of five years plus \$10,000 fine on each of counts two, three and four in the indictment. Judge MC GOHEY indicated that the five year sentences were to run concurrently and that in addition to the \$30,000 total fine, COSTELLO was to be assessed the cost of prosecution. COSTELLO was immediately committed to the Federal Detention Headquarters until payment of fines and a motion for bond pending appeal was denied.



MEMO

On May 18, 1954 the New York "World Telegram and Sun" contained an article indicating that a plea by COSTELLO for freedom on bail pending appeal from his income tax evasion conviction was scheduled for hearing June 7, 1954 before a three judge panel of the United States Court of Appeals.

The article indicated that Appeals Court Judge HAROLD R. MEDINA late May 17, 1954 denied COSTELLO'S motion for his release on bail pending the June 7 hearing.

The New York "Daily Mirror" of June 8, 1954 reported that Attorney ARTHUR GARFIELD HAYS presented COSTELLO'S plea for bail pending appeal of his conviction before the United States Court of Appeals. HAYS based his release application for COSTELLO on what he said were three substantial questions of law and contended that COSTELLO'S conviction was "based on the net worth - expenditures theory, which practically compels a defendant to prove his innocence."

The New York "Daily News" of June 11, 1954 reflected that FRANK COSTELLO lost his plea to get out of the Federal House of Detention pending his appeal. The article stated that a three-man United States Court of Appeals unanimously denied the appeal plea.

An article in the New York "World Telegram and Sun" dated May 21, 1954 indicated that COSTELLO would be required to appear in Federal Court to answer questions concerning his property which move was aimed on collecting his fine.

On June 17, 1954 the New York "Times" related that FRANK COSTELLO invoked the Fifth Amendment in refusing to answer seventeen of twenty-two questions about his assets. The article stated that Federal Judge EDWARD A. CONGER had scheduled a hearing for April 29, 1954 on a Government motion to cite COSTELLO for contempt.

The article related that the government was seeking to determine COSTELLO'S current assets to satisfy a \$30,000 fine imposed upon him and that on advice of his council COSTELLO refused to answer a series of questions.

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# FEDERAL BUREAU OF INVESTIGATION

## FOIPA DELETED PAGE INFORMATION SHEET

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☐ For your information: \_\_\_\_\_

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET1

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DIRECTOR, FBI (Encls - 78)

April 5, 1955

SAC, MIAMI (62-1273 Sub E)

MIAMI FIELD DIVISION;  
GENERAL INVESTIGATIVE INTELLIGENCE FILE;  
TOP HOODLUM COVERAGE.

ef  
b7c  
Re SAC letter 53-58.

Enclosed herewith are individual supplementary memoranda on each of the individuals who have been carried as top hoodlums residing within the territory of the Miami Division.

b7c  
Of these, are being deleted from the list since their activities are not such that they can properly be regarded as top hoodlums or because they reside within the territories of other divisions and are inactive within the Miami Field Division.

In the latter classification are:

b7c  
[REDACTED]  
FRANK COSTELLO, was., FBI No. 936217

They are being deleted because their activities do not warrant their being carried as top hoodlums are as follows:

b7c  
[REDACTED]  
(10)  
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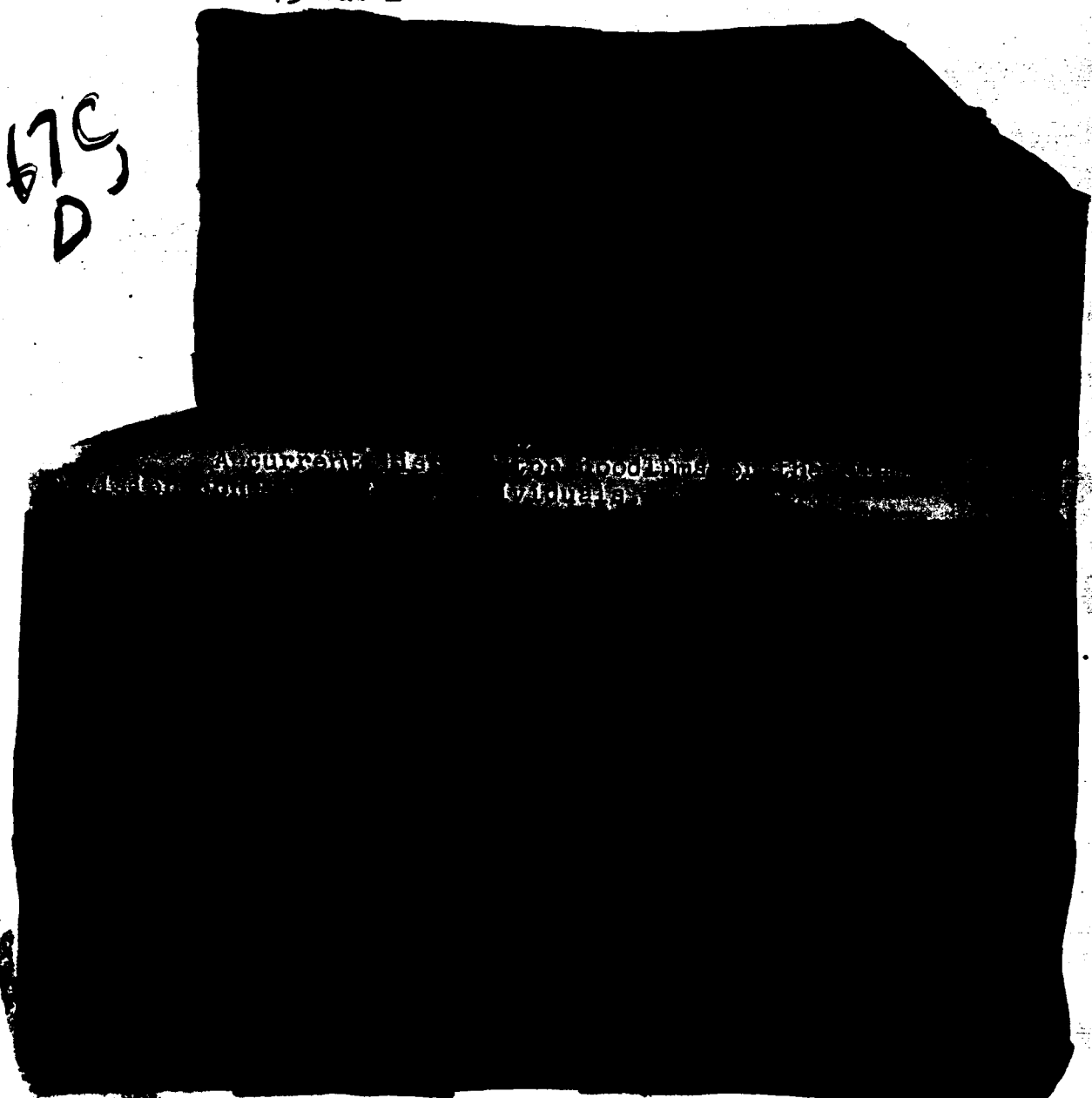
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Chicago (Encl. - 1)  
Cleveland (Encls - 4)  
Minneapolis (Encl. - 1)  
Newark (Encls - 3)  
New York (Encls - 8)  
Salt Lake City (Encl. - 1)

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70  
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MM 62-1273 Sub E

b7C,  
D



b7C,  
D

The New York Office was furnished with copies of the supplementary memoranda prepared on the following individuals who are believed to be active in the Greater New York area:

FRANK COSTELLO, was., FBI No. 936217

b7c

Miami, Florida  
March 31, 1955

RE: FRANK COSTELLO, was.  
FBI Number 936217  
GIIF (TOP HOODLUM COVERAGE)

PERSONAL HISTORY AND BACKGROUND

No new information has been learned during the past six months. Inasmuch as COSTELLO has not been within the territory of the Miami Division and as he is being carried as a top hoodlum by the New York Office, he is being deleted as same within the Miami Division.

CRIMINAL ACTIVITIES

No new information.

ASSOCIATES

No new information.

LEGITIMATE AND ILLEGITIMATE BUSINESS ACTIVITIES

No new data.

HANGOUTS AND PLACES OF AMUSEMENT FREQUENTED

Nothing new to report.

ENCLOSURE

62-76543-✓

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

FROM : SAC, New York (94-419; sub 22)

SUBJECT: FRANK COSTELLO, was  
GIIF  
TOP HOODLUM COVERAGE

DATE: 4/15/55

ReNYlet to Bureau, 9/17/54.

There is attached for the information of the Bureau two copies of a memorandum prepared by this office concerning captioned subject.

It is noted that this memorandum is a result of the review of the references and investigation concerning COSTELLO subsequent to the memorandum submitted by relet.

Copies of this memorandum are being designated for the Albany Office, the Little Rock Office, the Miami Office, the Newark Office and the New Orleans Office because of the interest they might have in captioned subject's activities.

Encs. (2) ENCL.

- 1 - Albany (Enc.1)
- 1 - Little Rock (Enc.1)
- 1 - Miami (Enc.1)
- 1 - Newark (Enc.1)
- 1 - New Orleans (Enc.1)

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INDEXED-35

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MEMO

New York, New York  
April 15, 1955

GENERAL INVESTIGATIVE INTELLIGENCE FILE

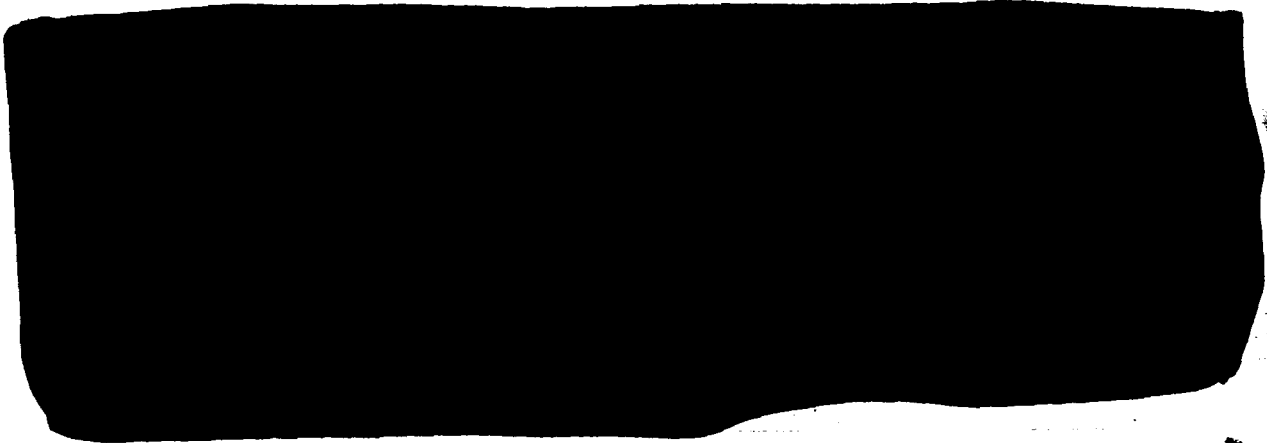
FRANK COSTELLO, TOP HOODLUM COVERAGE

FRANK COSTELLO, was:  
Francesco Costaglia, Frank Saverio,  
Francesco Saverio, **b7D**  
Frank Costello, Frank Stello  
FBI Number 936217

The following information concerning FRANK COSTELLO is a result of a review of all information pertaining to the subject and of investigation conducted concerning the subject contained in the files of this office subsequent to September 17, 1954:

BACKGROUND

FRANK COSTELLO continues to reside at 115 Central Park West, New York, New York, and maintains a summer home at Sands Point, Long Island.



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(2-76543) DL

ENCLOSURE  
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MEMO

CRIMINAL ACTIVITIES

The October 28, 1954, edition of the "New York Herald Tribune" contained an article indicating that in a pre-trial deposition preliminary to the deportation hearing of FRANK COSTELLO, the government sought answers to questions dealing with COSTELLO'S activities prior to 1925.

COSTELLO contended that if he answered these questions he might incriminate himself and cited the Fifth Amendment. The article indicated that on October 19, 1954, United States Federal Judge JOHN W. CLANCY had reserved opinion on a government motion to force COSTELLO to answer these questions.

The "New York Daily News" of November 2, 1954, indicated that Federal Judge JOHN W. CLANCY ruled on November 1, 1954, that COSTELLO could not refuse to answer questions involving his activities of more than a quarter of a century ago on the grounds of self-incrimination, inasmuch as crimes committed in 1925 or earlier would have prosecution outlawed under the Statute of Limitations.

5-74  
The November 10, 1954, issue of the "New York Daily News" indicated that on November 9, 1954, the United States Government moved in Federal Court for the immediate denaturalization of FRANK COSTELLO. A hearing was scheduled on the motion before Judge JOHN F. X. MCGOHEY, and the government noted that in spite of a court order directing COSTELLO to answer questions concerning his activity prior to 1925, COSTELLO had persisted in refusing to answer any questions except to give his name in a pre-trial hearing on the denaturalization action.


44  
The November 17, 1954, edition of "Newsday" reflected that JACK WASSERMAN, COSTELLO'S attorney had requested Judge JOHN F. X. MCGOHEY to find COSTELLO guilty of contempt of court and fine him \$1,000 with a stay of execution pending appeal.

MEMO

The article indicated that WASSERMAN had filed an affidavit by COSTELLO, stating that COSTELLO would be willing to answer the questions the government asks if the Court of Appeals upholds the contempt citation.

The late city edition of the "New York Times", dated December 2, 1954, indicated that Judge JOHN F. X. MCGOHEY dismissed a government motion calling for the immediate denaturalization of FRANK COSTELLO.

The article indicated that Judge MCGOHEY held that loss of citizenship was too severe a penalty for COSTELLO'S refusal on constitutional grounds to answer questions at a pre-trial denaturalization hearing. The article indicated that Judge MCGOHEY fined COSTELLO \$5,000.00 for disobeying a court directive to answer the pre-trial questions and gave the defense five days in which to file an appeal on the constitutional points.



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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET2

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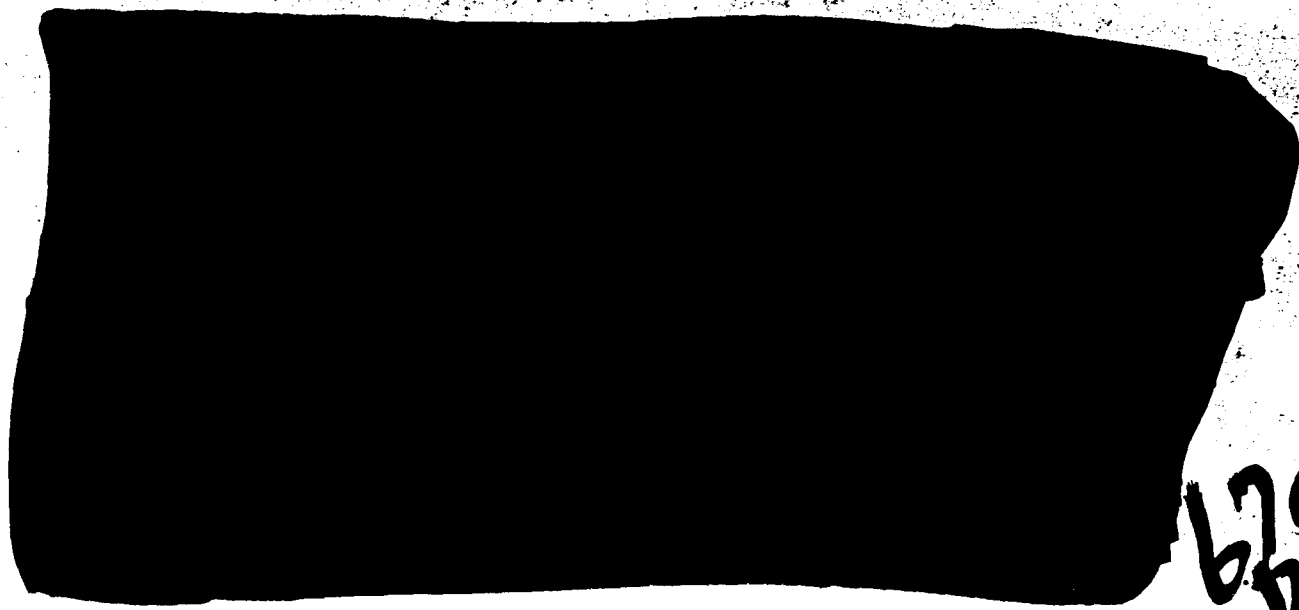
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MEMO



The "New York Daily News" of March 24, 1955, reflects that the New York State Tax Commission on March 23, 1955, filed a \$2,022.69, judgment against gambler FRANK COSTELLO and his wife for unpaid income taxes and penalties for 1953.

## MEMO

CRIMINAL RECORD

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
Police Department New York New York	FRANK COSTELLO #B-38412	5/31/35	Conspiracy	6/3/37 dismissed
As FRANK COSTELLO Manhattan May 31, 1935 conspiracy (Federal case) Deputy United States Marshal (per information received from New York New York).				
Federal Deten- tion Head- quarters New York New York	FRANK COSTELLO #28331	10/9/39	conspired to evade payment of taxes	10/10/39 bail
United States Marshal New York New York	FRANK COSTELLO #J-23-463	10/9/39	evading pay- ment of taxes and Section 1014 USKS to Southern District of Louisiana	released on bail 10/10/39 complaint dismissed 11/8/39
United States Marshal New York New York	FRANK COSTELLO #C-1760-51	7/25/51	Contempt	pending
Federal Detention Headquarters New York City New York	FRANK COSTELLO #64136	8/15/52	refusing to answer senate questions	1 year 6 months 8/22/52 United States Penitentiary Lewisburg

MEMO

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
United States Penitentiary Lewisburg Pennsylvania	FRANK COSTELLO #20125	8/15/52	refusing to answer certain questions before Senate Sub- Committee investigating crime	1 year 6 months 10/9/52 transferred Atlanta
United States Penitentiary Atlanta Georgia	FRANK COSTELLO #72866	10/10/52	investigation in Crime Contempt transfer before Senate from Sub-Committee United States Penitentiary Northeast	18 months
Federal - Correctional Institution Milan, Michigan	FRANK COSTELLO #16433	12/26/52	Contempt trans- ferred from Atlanta	18 months 10/29/53 released on minimum expiration on charge of contempt (before Senate Sub-Committee investigating crime)
Dauphin County Prison Harrisburg Pennsylvania	FRANK COSTELLO #DC.PD-5585	4/21/53	In transit	

## MEMO

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
Federal Detention Headquarters NY NY	FRANK COSTELLO #H-2884	5/17/54	Evasion of income taxes	5 yrs Fine \$30,000.00-Com
Bureau Field Division New York, New York	FRANK COSTELLO #--	5/31/35	conspiracy	Deputy United States Marshal



Office Memorandum • UNITED STATES GOVERNMENT

DATE: 9/15/55

TO : Director, FBI

FROM : SAC, New York (94-419; sub 22)

SUBJECT: FRANK COSTELLO, was  
GILF  
TOP HOODLUM COVERAGE

ReNYlet to Bureau, 4/15/55.

Enclosed for the information of the Bureau are two copies of a memorandum prepared by this office concerning captioned subject.

This memorandum is a result of a review of references and investigation conducted concerning COSTELLO subsequent to relet.

Copies of this memorandum are being designated for the Albany, Little Rock, Miami, Newark, and New Orleans offices because of the interest they may have in captioned activities.

Encs. 2

- 1 - Albany (Enc. 1)
- 1 - Little Rock (Enc. 1)
- 1 - Miami (Enc. 1)
- 1 - Newark (Enc. 1)
- 1 - New Orleans (Enc. 1)

RECORDED

10/19  
16 SEP 19 1955INDEXED  
EX-107

11 33 AM '55

67C

New York, New York

GENERAL INVESTIGATIVE INTELLIGENCE FILE

FRANK COSTELLO, TOP HOODLUM COVERAGE

FRANK COSTELLO, was:  
Francesco Castaglia, Frank Saverio  
Francesco Saverio  
Frank Castello, Frank Costello  
FBI Number 936217

The following information concerning FRANK COSTELLO is a result of a review of information pertaining to the subject and of investigation conducted concerning the subject, subsequent to April, 1955.

BACKGROUND

FRANK COSTELLO continues to maintain his residence at 115 Central Park West, New York, New York.

CRIMINAL ACTIVITIES

The "New York Daily Mirror" of April 6, 1955, reported that gambler FRANK COSTELLO lost his fight to beat a five-year rap for income tax evasion, when the United States Court of Appeals unanimously upheld his conviction for May, 1955, but reduced COSTELLO'S fine from \$30,000 to \$20,000. It indicated that this review was made of COSTELLO'S conviction during May, 1955, for evading payment of \$39,015 in income taxes for the years 1947 through 1949.

62-76543-77  
- 1 -  
ENCLOSURE


The article indicated that the court pointed out that the prosecution built its case upon what was known as "net worth method". The court stated that it could not be doubted that "a man, having no resources in loans, gifts or inheritances, could have spent what COSTELLO did in the indictment years unless it was out of his income or his wife's, or unless he had a cash reserve accumulated from past years."

The court opinion stated that evidence indicated that COSTELLO received \$30,000 for keeping bookmakers away from a race track for two years and that he had substantial interest in slot machines and juke boxes, and gambled on horses, cars, and fights.

It was pointed out that the court dealing with the conviction for evasion during 1946, was reversed as the evidence presented to the jury as to COSTELLO'S net worth in that year had not been substantiated by the facts. This, however, while reducing the fine in the amount of \$10,000, did not effect the present sentence of five years.

The "New York Daily News" of May 11, 1955, reflected that the United States Court of Appeals unanimously affirmed a \$500 fine imposed on FRANK COSTELLO for contempt in refusing to answer pre-trial questions in a suit to denaturalize him.

At the same time, the court denied a motion by the government to render judgment by default, which would cancel COSTELLO'S certificate of naturalization.



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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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☐ For your information: \_\_\_\_\_

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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Office Memorandum • UNITED STATES GOVERNMENT

G. I. -10  
GOVERNMENT

TO  
FROM  
SUBJECT

DIRECTOR, FBI

DATE: 3/23/56

SAC, NEW YORK (94-419 sub 22)

FRANK COSTELLO, was.  
FBI #963217

GILF  
TOP HOODLUM COVERAGE

Re NY letter to Bureau, 9/15/55.

Enclosed for the information of the Bureau are two copies of a memo prepared by this office concerning captioned subject.

This memo is the result of a review of references and investigation conducted concerning COSTELLO subsequent to referenced letter.

Copies of this memo are being designated for the Albany, Little Rock, Miami, Newark and New Orleans Offices because of the interest they may have in captioned subject's activities.

- 2-Bureau (Encls. 2)  
1-Albany (Encl. 1)  
1-Little Rock (Encl. 1)  
1-Miami (Encl. 1)  
1-Newark (Encl. 1)  
1-New Orleans (Encl. 1)  
2-New York (94-419 sub 22)

ENCLOSURE

EXP. PROC.  
3.67

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RECORDED - 1

INDEXED - 1

17 MAR 29 1956

58 APR 13 1956

APR 11 1956

March 28, 1956  
New York, New York

GENERAL INVESTIGATIVE INTELLIGENCE FILE

FRANK COSTELLO, TOP HOODLUM COVERAGE

FRANK COSTELLO, was:  
Francesco Costaglia, Frank Saverio.  
Francesco Saverio, [REDACTED]  
Frank Costello, Frank Costello  
FBI Number 936217

The following information concerning FRANK COSTELLO is a result of a review of information pertaining to the subject and of investigation conducted concerning the subject subsequent to September, 1955.

BACKGROUND

FRANK COSTELLO continues to maintain his residence at 115 Central Park West, New York, New York.

COSTELLO further has a summer home located at Sands Point, Long Island, New York.

COSTELLO has no known place of regular employment.

CRIMINAL ACTIVITIES

[REDACTED] b7D C

The "New York Daily News" of December 19, 1955, reflected that the New York State Tax Commission on December 18, 1955, presented COSTELLO with claims for \$190, 982.24 in state income tax plus interest and penalties for the

ENCLOSURE

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the period 1941, through 1950. This article reflected that numerous tax warrants, one of which also named COSTELLO'S wife, LORETTA, were filed in the New York County Clerk's Office.

On November 1, 1955, the "New York Daily Times" reflected that FRANK COSTELLO, who was free on \$50,000 bail pending a review of his income tax evasion convicted by the United States District Court, New York, New York, had requested the Federal Court to permit him to go to Hot Springs, Arkansas for his health. The article reflected that COSTELLO, whose appeal on the above question was pending before the United States Supreme Court, had entered this motion before Judge SIDNEY SUGARMAN who had reserved decision on the motion. The article indicated that COSTELLO had presented an affidavit by Doctor GERALD F. O'BRIEN, 58 East 66th Street, indicating that COSTELLO was suffering from laryngitis and post nasal drip. The physician had recommended a month in Hot Springs.

On November 29, 1955, criminal docket number 141/9 maintained in the Court Clerk's Office, United States District Court, Southern District of New York, concerning FRANK COSTELLO was reviewed revealing that COSTELLO'S motion for an order enlarging his bail limits had been entered October 26, 1955. The motion had been argued October 31, 1955, and decision reserved by Judge SUGARMAN. It was noted further in these records that COSTELLO'S bondsman for a \$50,000 bail, which had been posted June 19, 1954, was reflected as Manufacturers Casualty Company, 116 John Street, New York, New York.

The "New York Daily News" on December 9, 1955, reflected that COSTELLO had been denied permission to visit Hot Springs, Arkansas. The article reflected further that COSTELLO had refused to be examined by a



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court appointed physician unless such examination took place in the offices of COSTELLO'S personal doctor. The article indicated that the court stated "In the light of COSTELLO'S refusal to present himself at the office of Doctor WILLIAM B. ALLEN for examination, the motion is denied".

The "New York Daily News" of December 28, 1955, reflected that COSTELLO was ordered by the Federal Court to answer questions concerning his activities in the early 1920's. The article reflected that COSTELLO was under questioning as part of pre-trial denaturalization proceedings against him and had balked at discussing occupations and old friends in the five years prior to 1925.


Assistant United States Attorney ALFRED P. O'HARA advised Federal Judge LAWRENCE E. WALSH that he was interested in knowing whether or not COSTELLO was engaged in bootlegging in the period between 1920, and 1925. O'HARA charged that COSTELLO illegally and fraudulently obtained naturalization in 1925, in that he swore to good moral character in the five years before then when he had in fact dealt in liquor and gambling and evaded federal and state tax.

The article noted that COSTELLO had claimed the Fifth Amendment indicating that answering these questions would be self-incrimination. The article indicated that Judge WALSH ordered COSTELLO to answer certain questions and the article noted further that about a year ago COSTELLO had been fined \$300 for refusing to answer questions concerning his activities in this same period. It also indicated in the article that the United States Supreme Court had rejected COSTELLO'S appeal from the previous contempt finding.

The "New York Daily News" of January 5, 1956, reflected that FRANK COSTELLO had complied with Federal Court orders to answer questions concerning his activities

m7  
during 1920, to 1925, but had balked temporarily when Assistant United States Attorney O'HARA began questioning him concerning his activities after 1925. The article indicated that after noon time luncheon with his attorneys, GEORGE WOLF and ALEXANDER BICKS, COSTELLO went back into the pre-trial examination room and testified until 4:15 pm. The article indicated that COSTELLO'S attorneys had informed the press that COSTELLO had "answered everything".

The "New York Times" of March 6, 1956, reflected that on March 5, 1956, the United States Supreme Court upheld the conviction of FRANK COSTELLO on his income tax evasion charges. The article reflected that Justice HUGO L. BLACK delivered the seven to nothing decision and that Justices TOM C. CLARK and JOHN M. HARLAN disqualified themselves.



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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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FEDERAL BUREAU OF INVESTIGATION  
DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

MAY 14 1956

TELETYPE

Mr. Tolson \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Boardman \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Mason \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Parsons \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tamm \_\_\_\_\_  
Mr. Nease \_\_\_\_\_  
Mr. Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Holloman \_\_\_\_\_

WASH 13 FROM NY 14 7-35 PM  
DIRECTOR URGENT

GENERAL INVESTIGATIVE INTELLIGENCE FILE  
FRANK COSTELLO WAS, GIIF TOP HOODLUM COVERAGE, FOR INFO OF BUREAU,  
CHIEF DEPUTY US MARSHAL THOMAS FARLEY, SDNY, ADVISED THAT COSTELLO  
SURRENDERED AT FOUR PM FIVE FOURTEEN FIFTYSIX FOR COMMENCEMENT OF  
FIVE YEAR INCOME TAX EVASION SENTENCE.

KELLY

PLS HOLD

RECORDED-11

EX-109

62-76543-83

20 MAY 16 1956

50 MAY 22 1956 Mr. Rosen

cc Inv. D1

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

MAY 17 1956

TELETYPE

Mr. Tolson  
Mr. Nichols  
Mr. Boardman  
Mr. Belmont  
Mr. Mason  
Mr. Mohr  
Mr. Parsons  
Mr. Rosen  
Mr. Tamm  
Mr. Nease  
Mr. Winterrowd  
Tele. Room  
Mr. Holloman  
Miss Gandy

FBI MIAMI  
DIRECTOR, FBI  
ATTENTION - ASST. DIRECTOR A. ROSEN

5-17-56

12-13 PM

FRANK COSTELLO, WAS., TOP HOODLUM COVERAGE, MIAMI ADVISED HE IS FILING PETITION IN USDC, TO BREAK INTO SAFETY DEPOSIT BOX MAINTAINED BY SUBJECT AT FIRST NATIONAL BANK, HOLLYWOOD, FLA., IN NAME OF HIS WIFE LORETTA B. COSTELLO. LIEN HAS BEEN IN BOX SINCE NINETEEN FIFTYTHREE AND PETITION WILL CALL FOR ENTRANCE IN ATTEMPT TO VERIFY NINETYEIGHT THOUSAND DOLLARS FEDERAL TAXES OWED FOR YEAR NINETEEN FORTYTHREE. DATA BEING FURNISHED FOR INFO AS MATTER WILL PROBABLY RECEIVE NATIONAL PUBLICITY TONIGHT.

RECORDED - 83

\* Internal Revenue Service

NEW YORK ADVISED BY AM

EX-109

14 MAY 22 1956

1XX 1-17 PM OK FBI WA NRB

55 MAY 25 1956

Mr. Rosen

CC: MR. ROSEN  
AND SUPERVISOR  
INVESTIGATIVE DIVISION

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

FROM : SAC, NEW YORK (94-419 sub 22)

SUBJECT: FRANK COSTELLO, was.  
GIIP  
TOP HOODLUM COVERAGE

DATE: 5/24/56

Pertinent information contained in referenced letters furnished to AUSA ALFRED P. HARA, SDNY, in view of his interests in COSTELLO, both because of COSTELLO's income tax evasion conviction and because of deportation proceedings pending against COSTELLO.

On 5/1/56 ASAC E. J. MC CABE was advised by USA WILLIAMS, SDNY, that US Treasury Agents were maintaining a physical surveillance on COSTELLO.

After COSTELLO lost several appeals on his tax evasion conviction, his \$50,000 bail was ordered revoked and he was ordered by the US District Court to surrender to the US Marshal, SDNY, by 4:00 PM on 5/14/56 for commencement of his five year sentence.

Chief Deputy US Marshal THOMAS FARLEY, SDNY, advised on 5/14/56 that COSTELLO had reported at 4:00 PM that date and was in custody for commencement of his sentence.

- 4 - Bureau  
1 - Miami (INFO)  
1 - NY 94-419 sub 22

RECORDED - 72

MAY 25 1956

55 JUN 6 1956

Office Memorandum • UNITED STATES GOVERNMENT

I. R. -10

GOVERNMENT

TO : DIRECTOR, FBI

FROM : SAC, MIAMI (62-2358)

DATE: May 28, 1956

SUBJECT: FRANK COSTELLO  
FOREIGN MISCELLANEOUS  
GIIF; TOP HOODLUM COVERAGE

Inasmuch as the press has reported that ~~FRANK~~ COSTELLO surrendered on May 14, 1956, to the USM at New York City, to serve a five year term for Federal Income Tax evasion, no action is being taken on this matter.

AUSA, E. DAVID ROSEN, Miami, Florida, advised on May 17, 1956, that on that date he filed a petition in USDC, Miami, Florida, to permit the Internal Revenue Service to break into a safety deposit box maintained by COSTELLO at the First National Bank, Hollywood, Florida, in the name of his wife, LORETTA B. COSTELLO.

The Internal Revenue Service has had a lien on the box since 1953 and the petition called for the entry in an attempt to satisfy \$98,000.00 Federal taxes owed by the subject for the year 1943.

On May 22, 1956, Mr. ROSEN advised that a hearing has been set for June 6, 1956, for the bank to show cause why COSTELLO's box should not be drilled. This matter is being followed to determine whether the box contains anything of possible Bureau interest.

Bureau  
New York  
1 - Miami (62-2358)

FIVE-THREE SECTION

MAY 30 5 18 PM '56

REC'D - FOREIGN

53 JUN 6 1956

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INDEXED - 83

EX-108

MAY 29 1956

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET6

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☐ For your information: \_\_\_\_\_

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☐ The following number is to be used for reference regarding these pages:

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## Office Memorandum • UNITED STATES GOVERNMENT

DATE: July 20, 1956

TO : DIRECTOR, FBI  
 FROM : SAC, MIAMI (62-2358)  
 SUBJECT: FRANK COSTELLO, was.  
 G.I.F.  
 (TOP HOODLUM COVERAGE)

62-76543-84  
 Remytel 5 17/56 and Bulet 7/10/56.

On 7/13/56, Assistant United States Attorney E. DAVID ROSEN, Miami, Florida, advised SA [REDACTED] that an order was entered 6/6/50 authorizing the Internal Revenue Service to enter a safety deposit box maintained by the subject in the name of his wife, LORETTA B. COSTELLO, at the First National Bank, Hollywood, Florida. A petition had been filed in United States District Court, Miami, on 5/17/56, requesting permission for IRS to break into the box.

Mr. ROSEN advised that when the box was entered on 7/3/56, it was found to contain \$1,002.00, consisting of ten \$100 bills and two \$1 bills. It also contained a certificate of deposit #18789, reflecting that \$10,000 had been deposited in the Corn Exchange Bank, New York, N. Y. No details regarding this deposit, such as the name of the depositor or identity of the amount the deposit was made to, were known to Mr. ROSEN.

67D, C  
 2 - Bureau  
 2 - New York (94-419 Sub 22)(Info)  
 1 - Miami

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FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 8 1956

TELETYPE

Mr. Tolson  
Mr. Nichols  
Mr. Boardman  
Mr. Belmont  
Mr. DeLoach  
Mr. Mohr  
Mr. Winterrowd  
Mr. Holloman  
Mr. Gandy

WASHINGTON FROM NEW YORK 23

DIRECTOR

FRANK COSTELLO, WAS., GIIP, TOP HOODLUM COVERAGE, COOPERATION  
WITH USA, SDNY. ON AUGUST SEVENTH, FIFTY SIX, AUSA A. P. O'HARA  
SDNY, TELEPHONICALLY CONTACTED NYO AND ADVISED HE ANTICIPATES  
DENATURALIZATION HEARINGS OF COSTELLO TO COMMENCE IN SDNY DURING FIRST  
PART OF SEPTEMBER, FIFTY SIX. O'HARA STATED THAT SINCE THIS IS CIVIL  
MATTER, HE ANTICIPATES POSSIBILITY COSTELLO MAY APPEAR AND  
SUBJECT HIMSELF TO CROSS EXAMINATION. AUSA O'HARA STATED HE  
ORDER TO BE PREPARED TO CROSS EXAMINE COSTELLO. HE IS CONTACTING ALL  
POSSIBLE SOURCES FOR BACKGROUND INFO RE COSTELLO. HE STATED HE IS  
INTERESTED IN ANY PHASE OF COSTELLO'S LIFE FROM NINETEEN TWENTY TO  
PRESENT INCLUDING DETAILS OF ASSOCIATES. HE STATED HE HAS ADVISED  
THAT HE WILL ADVISE THE BUREAU OF HIS FINDINGS. THE OFFICE IS CURRENTLY  
CONDUCTING SEARCHES FOR INFORMATION RE COSTELLO AND HIS ASSOCIATES.  
RECEIVED

50 AUG 15 1956

PAGE 10

CROSS EXAMINING SUBJECT. IT IS NOTED THAT MEMO DATED OCTOBER NINETEEN, FIFTY THREE WAS FURNISHED AUSA L. LLOYD MC MAHON, SDNY, FOR USE BY HIM IN PREPARING INCOME TAX EVASION TRIAL AGAINST COSTELLO. THIS MEMO APPROVED BY ME IN BULET TO NY OCTOBER FIFTEENTH, FIFTY THREE ENTITLED FRANK COSTELLO, INFORMATION CONCERNING. REVIEW OF NYO FILES REVEALS THAT SINCE ABOVE MEMO, NO ACTIVE INVESTIGATIONS HAVE BEEN CONDUCTED CONCERNING COSTELLO OTHER THAN INVESTIGATION CONDUCTED IN CONNECTION WITH TOP HOODLUM COVERAGE PROGRAM. INFO CONTAINED IN TOP HOODLUM COVERAGE FILE WHICH MIGHT BE APPROPRIATE FOR DISSEMINATION CONCERNS PRINCIPALLY COSTELLO'S TAX EVASION TRIAL WHICH INFO IS AVAILABLE TO NSA'S OFFICE AND NOTHING HAS BEEN DEVELOPED DURING THAT PERIOD WHICH WOULD BE PARTICULARLY VALUABLE IN CROSS EXAMINATION. MADE BY ELEVEN AND AUGUST NINTH, FIFTY SIX, AUSA O-KARA WIEL BE REFERRED TO MEMO FURNISHED AUSA MC MAHON AND ADVISED THAT NO NEW INVESTIGATIONS INVOLVING COSTELLO HAVE BEEN CONDUCTED BY NYO SINCE DATE OF MEMO.

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INVESTIGATIVE DIVISION

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## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. Rosen *R*

DATE: September 14, 1956

FROM : Mr. Price *JP*SUBJECT: FRANK COSTELLO  
DEPORTATION AND DENATURALIZATION  
PROCEEDINGS

Tolson	<input checked="" type="checkbox"/>
Nichols	<input checked="" type="checkbox"/>
Boardman	<input checked="" type="checkbox"/>
Belmont	<input checked="" type="checkbox"/>
Mason	<input checked="" type="checkbox"/>
Mohr	<input checked="" type="checkbox"/>
Parsons	<input checked="" type="checkbox"/>
Rosen	<input checked="" type="checkbox"/>
Tamm	<input checked="" type="checkbox"/>
Nease	<input checked="" type="checkbox"/>
Winterrowd	<input checked="" type="checkbox"/>
Tele. Room	<input checked="" type="checkbox"/>
Holloman	<input checked="" type="checkbox"/>

ASAC Ed McCabe, New York City, stated that it has been learned from John O'Hara of the Civil Division of the United States Attorney's Office of the Southern District of New York that the denaturalization case will proceed on September 24 against Frank Costello. The United States Attorney's Office is looking towards eventual possible deportation of Costello.

McCabe said that there is a possibility that the Federal Judge and the United States Attorney's Office may possibly request the FBI to conduct a check of its indices concerning the 300 members of the jury panel from which the jury will be selected in this case. McCabe said that ordinarily in a denaturalization proceeding of this kind a jury is not used, however, the Judge contemplated calling a jury in this particular instance for utilization in an advisory capacity.

McCabe said that he was calling the Bureau in view of Bureau's known interest in matters concerning Costello even though the denaturalization proceedings are not a result of any Bureau investigative effort and since he wanted to alert the Bureau for a possible check of the jury panel. The New York Division has been instructed that in event any requests of this type are received from the U. S. Attorney's Office the U. S. Attorney should be informed that his request must be addressed to the Department in Washington since all requests for Bureau assistance in jury checks must be made of the Bureau by the Department. The New York Division was instructed to advise the Bureau in the event any such request is received.

(7)

RECORDED-11

EX-117

10 SEP 21 1956

61 SEP 26 1956

62-7643-94



## Office Memo

m • UNITED STATES

GOVERNMENT

TO : DIRECTOR, FBI

FROM : SAC, NEW YORK (92-419 sub 22)

SUBJECT: FRANK COSTELLO, was  
FBI #963217  
GIIF  
TOP HOODLUM COVERAGE

DATE: 9/30/56

Re New York letter to Bureau, March 28, 1956.

Enclosed for the information of the Bureau are two copies of a memorandum prepared by this office concerning captioned subject.

This memorandum is a result of a review of references and investigation conducted concerning COSTELLO subsequent to referenced letter.

Copies of this memorandum are being designated for the Albany, Little Rock, Miami, Newark and New Orleans Offices because of the interest they may have in captioned subject's activities.

EXP. PROC.

- ② - Bureau (Encs. 2) ENCLOSURE  
1 - Albany (Encs. 1)  
1 - Little Rock (Encs. 1)  
1 - Miami (Encs. 1)  
1 - Newark (Encs. 1)  
1 - New Orleans (Encs. 1)  
2 - New York (94-419 sub 22)

RECORDED - 24

INDEXED - 24

OCT 3 1 57 PM '56

60 OCT 15 1956

EX-116

GENERAL INVESTIGATIVE INTELLIGENCE FILE

FRANK COSTELLO - TOP HOODLUM COVERAGE

FRANK COSTELLO, was:  
Francesco Costaglia, Frank Saverio,  
Francesco Saverio, [REDACTED]  
Frank Castello, Frank Stello  
FBI Number 936217

September 30, 1956  
New York, New York

b7D

The following information concerning FRANK COSTELLO is a result of a review of information pertaining to the subject and of investigation conducted concerning the subject subsequent to March, 1956:

BACKGROUND

FRANK COSTELLO was sentenced March 17, 1955, in the Southern District of New York to three five-year sentences, to run concurrently, for evasion of Income Tax for the years 1947 through 1949.

COSTELLO is presently incarcerated at Federal Detention Headquarters, New York City, awaiting trial on denaturalization and deportation proceedings.

COSTELLO's regular residence is 115 Central Park West, New York City, and he also maintains a summer home at Sands Point, Long Island, New York.

CRIMINAL ACTIVITIES

[REDACTED]

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b7D, c

ENCLOSURE

62-76543-95



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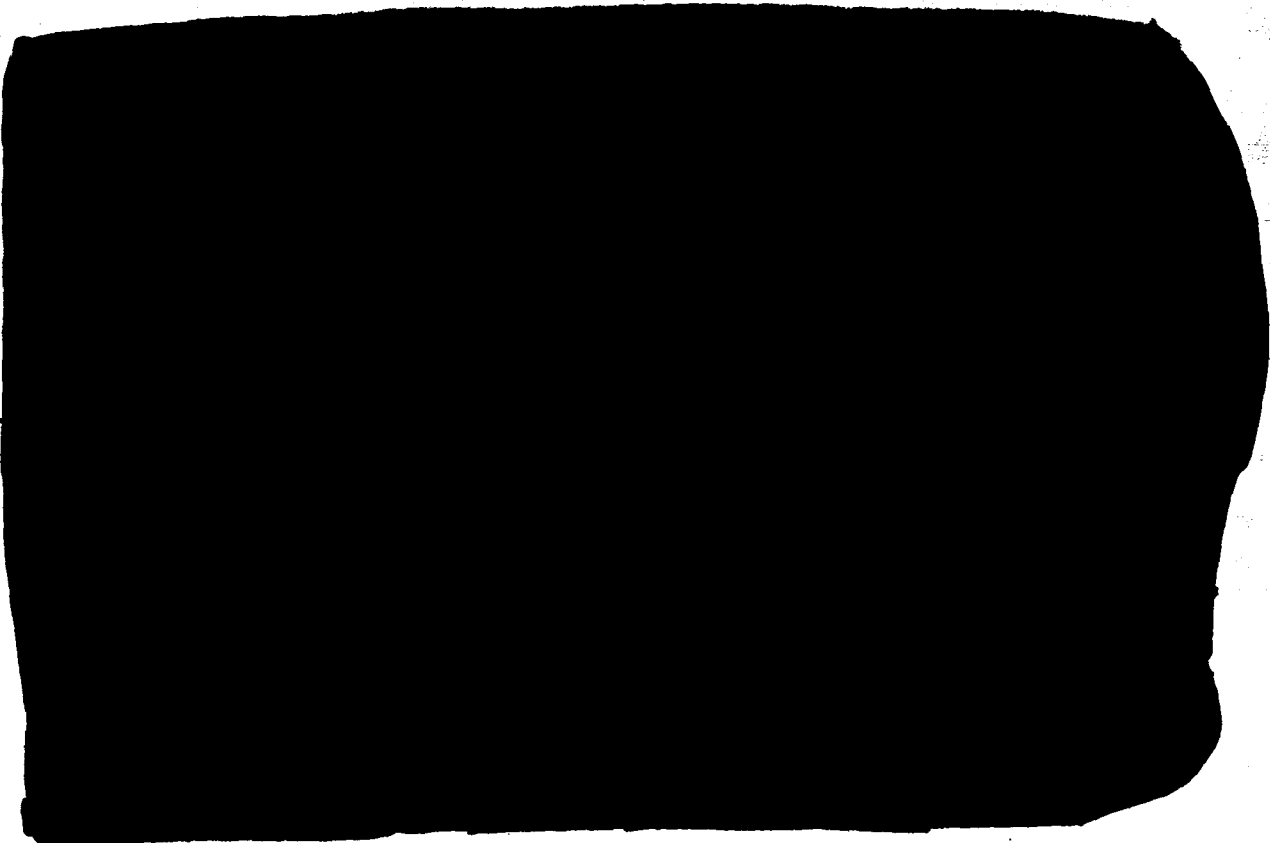
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On May 1, 1956, United States Attorney PAUL W. WILLIAMS, Southern District of New York, advised ASAC E.J. McCABE that Treasury agents were maintaining a physical surveillance on FRANK COSTELLO to insure that he would not attempt to leave the country.

The "New York Daily News," for May 8, 1956, reflected that on May 7, 1956, Federal Judge JOHN F.X. McGOHEY ordered COSTELLO to surrender by 5:00 P.M., May 14, 1956, to begin serving his five year sentence for income tax evasion.

The article noted that COSTELLO had offered to remove himself permanently to his native Italy if "Uncle Sam would suspend or lighten his sentence and not force him to stand denaturalization proceedings."

McGOHEY also denied COSTELLO an additional thirty days to wind up his affairs. The article noted that COSTELLO

was suffering from cancer, namely "Melanoma of the left temple as well as from a duodenal ulcer." This information was brought to the Court's attention through the affidavit of Doctor GERALD F. O'BRIEN of 58 East 66th Street, New York City. According to Doctor O'BRIEN melanoma is "notoriously one of the most malignant and fatal forms of cancer." The Court held that the Bureau of Prisons medical facilities were capable of handling COSTELLO's illness.

On May 14, 1956, Chief Deputy United States Marshal THOMAS FARLEY, Southern District of New York advised SA [REDACTED] b7 that COSTELLO had surrendered at 4:00 P.M. on that date for commencement of a five year income tax evasion sentence.

The "New York Daily News," on May 16, 1956, reflected that on May 15, 1956, COSTELLO, through his attorney had filed a motion in Federal Court to have his five year sentence set aside on the grounds their term exceeded the one-year maximum prescribed by Congress for tax evasion.

The "New York Herald Tribune" of August 23, 1956, reflected that Judge JOHN F.X. McGOHEY ruled that COSTELLO's motion was without basis and denied the motion.

On May 17, 1956, the Miami Office advised that Assistant United States Attorney E. DAVID ROSEN had advised that he was filing a petition in United States District Court, Miami, Florida, to permit the Internal Revenue Service to break into the safety deposit box maintained by COSTELLO at the First National Bank, Hollywood, Florida, in the name of his wife, LORETTA B. COSTELLO. ROSEN advised that lien has been on the box since 1953, and the petition will call for entrance in attempt to verify \$98,000.00 in Federal taxes due for the year of 1943.

By letter dated May 28, 1956, the Miami office advised that a hearing had been set for June 6, 1956, for the bank to show case why COSTELLO's safety deposit box should not be opened. By letter dated July 24, 1956, the Miami Office advised that on July 13, 1956, Assistant United States Attorney E. DAVID ROSEN advised SA [REDACTED] b7c that an order was given, June 6, 1956, authorizing the Internal Revenue Service to enter the safety deposit box.

Mr. ROSEN advised that the box was entered on July 3, 1956, and was found to contain \$1,002.00 of ten one hundred ~~dollar~~ bills and two, one dollar bills. It also contained a certificate of deposit, number 18789 reflected a deposit had been made in the Corn Exchange Bank, New York City. No details regarding this deposit, such as name of the depositor or the identity of the account were known to Mr. ROSEN.

The "New York Daily Mirror" of May 22, 1956, reflected that a motion to dismiss denaturalization proceedings against COSTELLO had been denied by Federal Judge EDWARD DIMOCK.


The "New York Daily News" on May 30, 1956, reflected an article indicating that the United States Court of Appeals refused to prohibit COSTELLO's trial and denaturalization proceedings.

The "New York Herald Tribune" on June 7, 1956, reflected that Federal Judge EDMUND L. PALMIERI granted an adjournment of his denaturalization proceedings trial until September 4, 1956. This adjournment was granted in order that COSTELLO might change attorney's.

The "New York Times" of August 21, 1956, reveals that COSTELLO on August 20, 1956, filed a petition in Federal Court for a one month postponement of his denaturalization trial, and stated that he had an active coronary disease.

COSTELLO's attorney EDWARD BENNETT WILLIAMS of Washington, stated that Doctor EUGENE FIERRO, the present physician at the Federal House of Detention, had recommended that COSTELLO be forthwith hospitalized.

On August 25, 1956, the "New York Times" reflected that on August 24, 1956, Federal Judge EDMUND L. PALMIERI had granted COSTELLO and adjournment of denaturalization case until September 24, 1956.



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## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 2/14/57

FROM : SAC, NEW YORK (94-419-22)

SUBJECT: FRANK COSTELLO, was.  
FBI #963217 G.I.I.F.  
TOP HOODLUM COVERAGE

Re NY letter to Bureau 9/30/56.

Enclosed for the information of the Bureau are two copies of a memorandum prepared by this office concerning captioned subject.

This memorandum is the result of a review of references and investigation conducted concerning COSTELLO subsequent to referenced letter.

Copies of this memorandum are being designated for the Albany, Little Rock, Miami, Newark and New Orleans Offices because of interest they may have in captioned subject's activities.

- ② Bureau (ENCS. 2)
- 1 - Albany (ENC. 1)
- 1 - Little Rock (ENC. 1)
- 1 - Miami (ENC. 1)
- 1 - Newark (ENC. 1)
- 1 - New Orleans (ENC. 1)
- 1 - New York (94-419-22)

RECORDED-46

INDEXED-46

MAR 18 1957

EX 105

52 APR 9 1957

APR 18 15 05 PM '57

EXP. PROC.

GENERAL INVESTIGATIVE INTELLIGENCE FILE

FRANK COSTELLO - TOP HOODLUM COVERAGE

March 14, 1957  
New York, New York

FRANK COSTELLO, was:  
Francesco Costaglia, Frank Saverio,  
Francesco Saverio, [REDACTED] 670  
Frank Castello, Frank Stello  
FBI Number 936217

The following information concerning FRANK COSTELLO is a result of a review of information pertaining to the subject and of investigation conducted concerning the subject subsequent to September, 1956:

BACKGROUND

FRANK COSTELLO was sentenced March 17, 1955, in the Southern District of New York, to three five-year sentences, to run concurrently, for evasion of Income Tax for the years 1947 through 1949.

COSTELLO was released from the Federal Detention Headquarters, March 11, 1957, on \$25,000.00 bail pending an appeal to the United States Supreme Court.

COSTELLO's regular residence is 115 Central Park West, New York City, and he also maintains a summer home at Sands Point, Long Island, New York.

CRIMINAL ACTIVITIES

The "New York Daily News" of September 26, 1956, reflected that COSTELLO, while undergoing denaturalization proceedings in the Southern District of New York, raised two objections to the proceedings through his lawyer EDWARD BENNETT WILLIAMS, Former Counsel to Senator JOSEPH R. MC CARTHY:

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84 NOV 12 1964

62-76543-97  
ENCLOSURE



- I. That the government affidavit in support of denaturalization proceedings was "polluted beyond salvation by the illicit use" of wire tap information.
- II. That the government invaded COSTELLO's constitutional right to refuse to testify against himself by trying to call him as a prosecution witness. WILLIAMS made the point that while a denaturalization suit is a civil action, the United States Supreme Court has held that loss of citizenship is second only to loss of life in severity of punishment. This ruling, WILLIAMS said, justified resort to the Fifth Amendment, even in a civil action.

Judge EDMUND L. PALMIERI indicated that he was willing to hear the government's case over the first objection subject to a later ruling but put the trial over until 10:30 AM, September 26, 1956, until he could look up the law on the second point.

The "New York Daily News", of September 27, 1956, reflects that on September 26, 1956, Judge PALMIERI overruled COSTELLO's objection to testifying against himself, at which time COSTELLO was called to the stand.

The article reflects that COSTELLO supported himself in apparent weakness against the clerk's desk and pleaded dramatically that he could not take the witness stand because of "terrific pain."

Judge PALMIERI promptly summoned a heart specialist who failed to bear out the contention of COSTELLO.

The "New York Daily News" of September 28, 1956, indicates that on the previous day, Judge PALMIERI repeatedly upheld objections by COSTELLO during the

Q D

evidence being submitted by the government on the basis that this evidence was obtained from the use of wiretaps. It was noted that this evidence pertained to COSTELLO's bootlegging activities in 1925, and Assistant United States Attorney ALFRED P. O'HARA protested vigorously that the government had no knowledge that evidence on COSTELLO's purported bootlegging indictment in 1925 stemmed from wiretap information.

The "New York Journal American" of September 28, 1956, reflects that Judge PALMIERI on that date dismissed the government's denaturalization proceedings against COSTELLO without prejudice.

PALMIERI stated that he took this action because the government's case rested on documents containing references to wiretaps.

On September 28, 1956, Assistant United States Attorney ARTHUR H. CHRISTY advised SA [REDACTED] b7c that Judge PALMIERI's ruling was in his opinion erroneous inasmuch as the purported wiretap activity had taken place in 1925, long prior to the present laws on the use of wiretap information.

He stated that PALMIERI therefore was ruling inadmissible at this date evidence which was legally obtained in 1925 and would have been admissible in 1925. He stated he felt that the United States Attorney's Office would probably appeal PALMIERI's decision.

The "New York Herald Tribune" of December 18, 1956, reflects that COSTELLO filed a new appeal in United States District Court in an attempt to get his 1954 conviction for income tax evasion set aside on the basis that alleged wiretaps were the basis of evidence presented against him.

On March 4, 1957, Assistant United States Attorney ARTHUR H. CHRISTY advised SA [REDACTED] b7c that he is handling COSTELLO's current appeal to set aside his income tax evasion.

He advised that the Supreme Court of the United States has granted certiorari and that the hearing would be scheduled for March, 1957.


CHRISTY advised that COSTELLO's argument is based on the fact that New York State and the Federal Government both had public hearings, at which time COSTELLO and other hoodlums were called as witnesses.

CHRISTY identified the federal hearings as the Congressional Investigation of which Senator KEFAUVER was chairman, and that the New York State hearing was one held by the New York State Anti-Crime Commission.

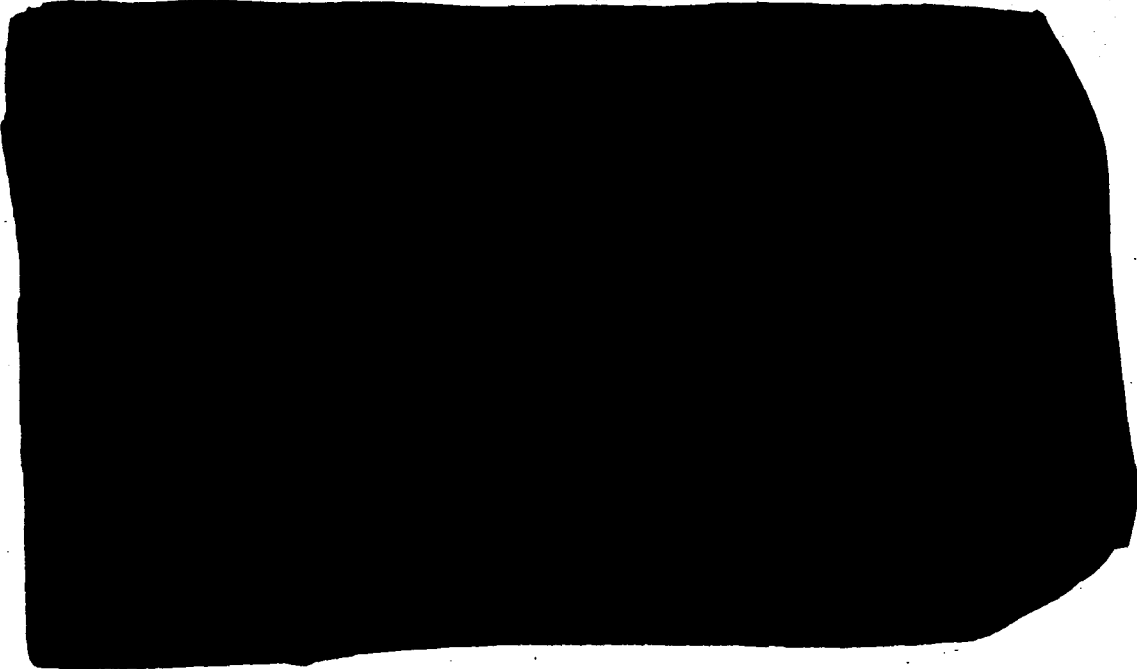
CHRISTY stated that it is COSTELLO's contention that much of the evidence produced in these two hearings, as well as the line of questioning of COSTELLO himself was predicated on wiretap information available to the two committees.

COSTELLO contends that the government's tax case as to his earnings and expenditures is based in part upon evidence set forth at the two hearings. It was COSTELLO's contention that since the evidence ultimately goes back to wiretap information, it is incompetent in Federal Court and that his conviction should be reversed.

CHRISTY advised that it is his belief that COSTELLO's line of argument is completely untenable.



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The "New York World Telegram and Sun" of January 28, 1957, reflected that the United States Supreme Court had granted COSTELLO a hearing on his appeal in which he contends his income tax sentence was illegal since he was sentenced under the wrong section of the code.

The "New York Journal American" of March 11, 1957, reflected that COSTELLO had been ordered released on bail by the United States Supreme Court, pending his appeal on the above point. The court set bail at \$25,000.00 and ordered that bail be perfected before the United States District Court, Southern District of New York.

The "New York Daily News" of March 12, 1957, reflects that COSTELLO made \$25,000.00 bail the previous day and was released from custody.

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen *RS*

DATE: 5-3-57

FROM : F. L. Price *FLP*Time of Calls:  
11:50 p.m. (5-2-57)  
12:15 a.m.SUBJECT: FRANK COSTELLO  
MISCELLANEOUS - INFORMATION CONCERNING

Tolson ☒  
 Nichols ☒  
 Boardman ☒  
 Belmont ☒  
 Mohr ☒  
 Parsons ☒  
 Rosen ☒  
 Tamm ☒  
 Trotter ☒  
 Nease ☒  
 Tele. Room ☒  
 Holloman ☒  
 Gandy ☒

*b7c* [redacted] New York Office, called to advise that information has been received that Frank Costello had been shot in the ear near his residence, 115 Central Park West, New York City, at about 11:00 p.m. 5-2-57. [redacted] said Costello is presently at Roosevelt Hospital and his condition is believed not too serious. [redacted] said that inquiry was being made by the New York Office and the Bureau would be immediately furnished further details. *b7c*

*b7c* At 12:15 a.m. [redacted] New York Office, called to advise that SA [redacted] was at the Roosevelt Hospital where New York Police officers were questioning Costello. [redacted] learned that Costello had been dining at the Monsignore Restaurant, 61 East 55th Street, [redacted]

*b7c* [redacted] in New York City. Costello left the restaurant at 10:45 p.m. in a taxicab [redacted] and proceeded directly to Costello's residence. As Costello was entering the lobby of his residence he was fired upon by an unknown individual resulting in damage to his ear. Costello's injury is not serious.

*b7c* [redacted] determined from Costello that Costello is not now a witness in any Government proceeding nor is he presently under subpoena in any Government proceedings. There is no indication of any Bureau interest in instant shooting of Costello.

New York letter 3-14-57, (Bufile 62-76543-97) regarding Frank Costello, notorious hoodlum, reflects Costello was sentenced 3-17-55, in the Southern District of New York to three five-year sentences to run concurrently, for evasion of income tax for the years 1947-1949. Costello was released from Federal Detention Headquarters 3-11-57, on \$25,000 bail pending an appeal to the U. S. Supreme Court. Costello's appeal is based on Costello's contention that his 1954 conviction for income tax evasion was based on wire tap evidence and thus incompetent.

cc: 1 - Mr. Nichols

RECORDED-79

62-76543-98

MAY 8 1957

EX 105

(9)

50 MAY 10 1957

Memorandum to Mr. Rosen

ACTION:

SA [REDACTED] was instructed that New York Office should conduct no further inquiry in this matter, however, liaison with the New York City Police Department should be continued and the Bureau informed of any further developments.

Mr. Nichols was informed of the shooting of Costello in view of possible press inquiry.

*R. [unclear]*

*gmm*  
*2/18*

*V.*

*[unclear]*

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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May 28, 1957

MEMORANDUM FOR MR. NICHOLS  
BOARDMAN  
BELMONT  
ROSEN  
TAMM  
MOHR

'ATTORNEY GENERALS'

During the Departmental Conference at Camp David on May 24 and 25, Assistant Attorney General Olney, of the Criminal Division, referred to the need for general criminal information which would correlate all available information concerning the top hoodlums and racketeers of the country. He indicated that such information would be invaluable to the Criminal Division in reviewing the activities of these individuals. He referred specifically to the Phoenix City situation, where apparently prostitution was rampant but very little was ever done with a view to Federal prosecution to clean up the situation existing in that community.

He also referred to Frank Costello and his far-flung activities, indicating that he had not been advised by the Bureau of information mentioned by Mr. Hoover connecting Costello with certain activities in Las Vegas.

He also referred to the Galveston situation, where there was a local prosecution of a District Attorney. He indicated that there was some indication of rather wide use of slot machines but that apparently there had been no federal prosecutive activity in that area and he thought it might have been possible for the Federal Government to take some action to improve conditions if information concerning illegal use of slot machines had been known.

Tolson  
Nichols  
Boardman  
Belmont  
Mohr  
Parsons  
Rosen  
Tamm  
Trotter  
Nease  
Tele. Room  
Holloman  
Gandy

With regard to Mr. Olney's remarks, I think we should immediately give consideration to the formation of a criminal intelligence

162-716543  
NOT RECORDED  
46 MAY 31 1957

MAIL ROOM

3 MAY 29 1957

SENT FROM D. O.  
TIME 3:35 PM  
DATE 5/28/57  
BY EIT

1 MAY 31 1957



**Memorandum for Mr. Nichols**  
**Boardman**  
**Belmont**  
**Rosen**  
**Tamm**  
**Mohr**

Wait at the Seat of Government and that some plan should be devised whereby we can correlate all available information concerning the best known racketeers and hoodlums in the country. I think we might start this project by alerting the field to send us such information and preparing running memoranda with respect to 75 or 100 of the top racketeers and hoodlums so that we can get a picture of whether it might be possible for the Bureau to take action concerning these individuals, which currently is handled by the Bureau solely on a complaint and individual case basis.

This entire matter should receive prompt attention with a view to submitting appropriate recommendations for a course of action to be taken by the Bureau. I think if we don't do this some Departmental official may institute such a procedure within the Department and ultimately attorneys may be assigned to do investigative work in this field which properly should be done by the Bureau.

Very truly yours,

**CLYDE TOLSON**

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## 6/14 Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen *R*

DATE: 6/3/57

FROM : F. L. Price *FLP*SUBJECT: FRANK COSTELLO  
INFORMATION CONCERNINGTolson  
Nichols  
Boardman  
Belmont  
Mohr  
Parsons  
Rosen  
Tamm  
Trotter  
Nease  
Tele. Rm.  
Holloman  
Gandy

With respect to the Director's observations in the attached memorandum dated 5/29/57, there are enclosed a memorandum to Mr. Olney and a memorandum to the Commissioner, Internal Revenue Service.

67C.  
b

The Director inquired as to whether the Attorney General's memorandum was seen prior to the preparation of the memorandum dated 5/29/57. The Attorney General's memorandum had been received in the division and it was being analyzed and a reply was being prepared. It is respectfully pointed out that a first draft of the memorandum was prepared recommending that we furnish the information to the Internal Revenue Service and to Mr. Olney. However, simultaneous therewith a newspaper clipping was located indicating that this matter was being investigated by the Internal Revenue Service and the essence of the information was mentioned in the newspaper clipping. Since this was a matter of public record and inasmuch as the Internal Revenue Service was investigating Costello's activities, the recommendation of the first draft of the memorandum was changed to recommend not sending the information to Mr. Olney or the Internal Revenue Service in view of the newspaper clipping which was attached to the memorandum of 5/29/57.

It is regretted that the memoranda were not attached to our memorandum of 5/29/57 for dissemination inasmuch as such dissemination would be in keeping with the terms of the Attorney General's memorandum as to what type of information should be furnished to the Department. This should have been done.

In the future, we will make certain that information of this type will be furnished to the Criminal Division and, where indicated, to the interested Federal agency. 62-7654-11

## RECOMMENDATION:

RECORDED-32

If approved, the enclosed memoranda will be sent to Mr. Olney and to the Commissioner, Internal Revenue Service.

Enclosures

1 - Mr. Nichols

PERS. FILES

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen

DATE: May 29, 1957

FROM : F. L. Price *flp*SUBJECT: <sup>0</sup>FRANK COSTELLO  
INFORMATION CONCERNING

Tolson  
Nichols  
Boardman  
Belmont  
Mohr  
Parsons  
Rosen  
Tamm  
Trotter  
Nease  
Tele. Room  
Holloman  
Gandy

With reference to the information which was discussed at Camp David on May 24 and 25, 1957, concerning the shooting of underworld figure Frank Costello, the following is submitted:

Frank Costello, New York underworld figure, was fired upon by an unidentified individual in New York City on the night of May 2, 1957. Although he allegedly saw his assailant, he refused to identify this person for the police and even refused to furnish information to a New York grand jury. Because of his refusal to cooperate, he received a thirty-day contempt sentence in New York State. At the time of the attack, he allegedly had on his person a piece of paper bearing some names and figures which were considered clues to the identity of the attacker. All of these facts received national publicity in the daily press.

Enclosure *handed*cc: Mr. Nichols *5/29/57*

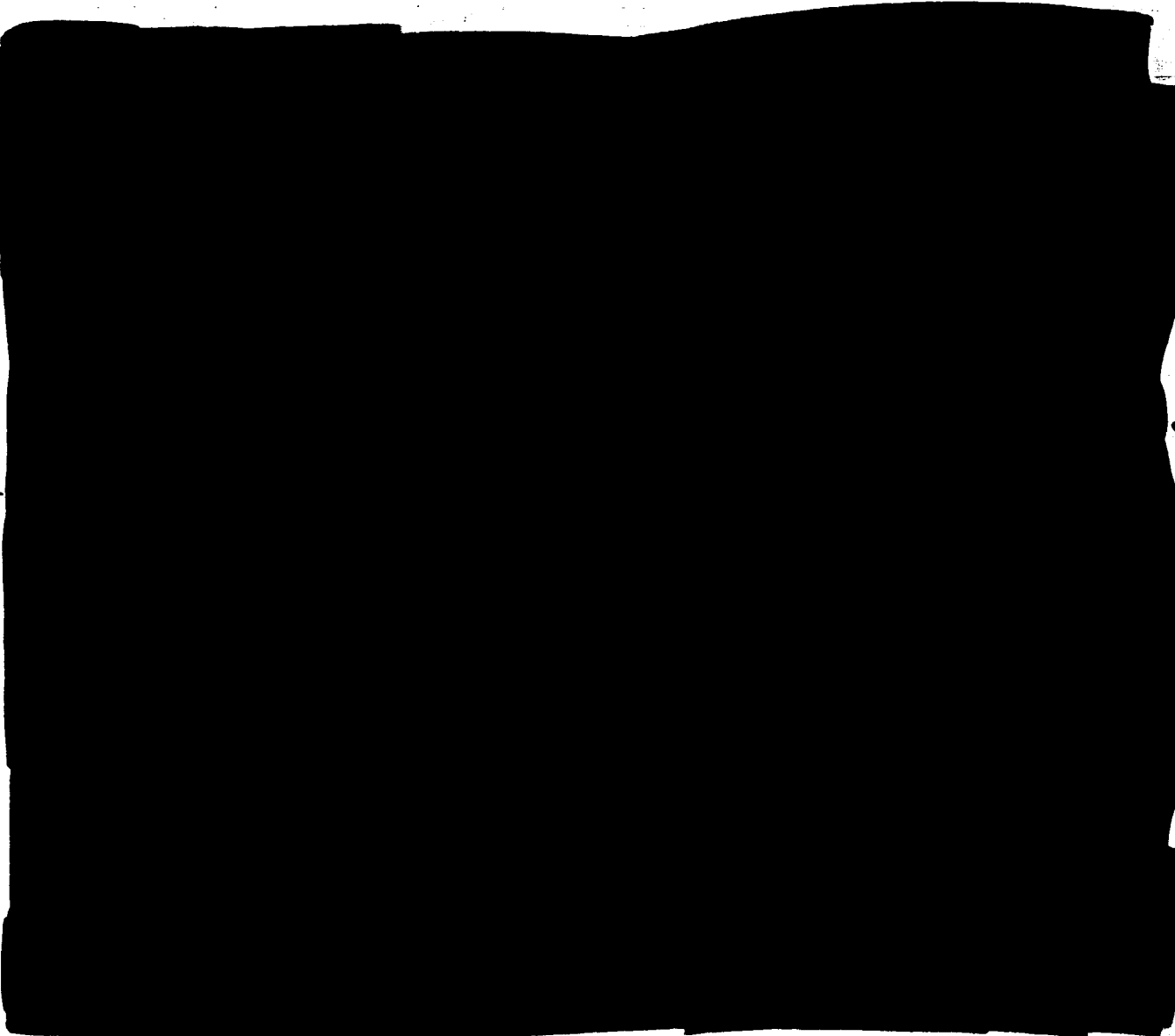
SENT DIRECTOR

5/29/57

6-10  
PERS. FILES

Memorandum to Mr. Rosen

RE: FRANK COSTELLO  
INFORMATION CONCERNING



RECOMMENDATION:

67C, D

There is attached a newspaper article from the "New York World Telegram and Sun" dated 5/8/57, which reflects the substance of Under-Sheriff Bell's information. The article relates that the Internal Revenue Service is presently investigating this matter. Inasmuch as the Internal Revenue Service is cognizant of this matter and the facts are a matter of press coverage, there does not appear to be any reason to disseminate this information to the Internal Revenue Service or the Criminal Division.

*do not agree. This is just the kind of information the A. G. got at recent memo has absolutely asked be forwarded to Crim. Div. Did*

*memo direct to Rosen  
6-3-57  
memo to AG O'Leary & IRS 6/3/57 BM*

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 5/29/57

FROM : SAC, NEW YORK (94-419-Sub 22)

SUBJECT: FRANK COSTELLO  
GILE (TOP HOODLUM COVERAGE) *INFT*

Mr. Tolson  
Mr. Nichols  
Mr. Boardman  
Mr. Belmont  
Mr. Mohr  
Mr. Parsons  
Mr. Rosen  
Mr. Tamm  
Mr. Trotter  
Mr. Nease  
Tele. Room  
Mr. Holloman  
Miss Gandy



Enclosed herewith is one copy of the photograph and story concerning the above incident which appeared in the New York "World Telegram and Sun" on 5/23/57.

- ② - Bureau (1 enc.)
- 1 - New York (94-419-Sub 22)

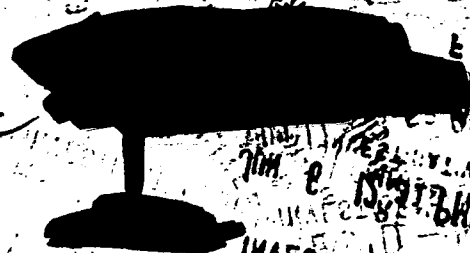
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SE 41

62-76543-10

MAY 31 1957



RECEIVED - INVESTIGATIVE DIV.  
MAY 31 1957

67C

# He's Still A Bum to The FBI

By FRED SPARKS

He might not be a hero to the FBI—for 20 years he's made J. Edgar Hoover's Hated Mobster Parade—but he's a grand new hero to a certain section of New York's youth.

They love that Frankie Boy even though the very last thing on earth he will do is sing. They love Frank Costello and they showed how much they loved him yesterday when Frankie Boy stepped off a ferry from Riker's Island Prison after residing there for 15 days. Youngsters in blue jeans and zipper-jackets and big freckled smiles gave him a rousing welcome.

He gave the kids a big, broad smile and even shook a few hands. The kids got a kick out of it, just as we ancients did when we got a chance to meet a real hero, not a phony like Costello.

The kids seemed to feel sorry for Frankie Boy and sad about the things that have been happening to him. Why, some mobster tried to kill him and when Frankie refused to tell the cops or grand jurymen who might have winged him they locked him up in a cell without so much as a portable TV.

Yesterday things returned to normal. A Supreme Court judge ruled he was entitled to bail pending appeal of his conviction for contempt, which is a fancy way of saying that Frankie's lawyers—and he keeps them by the scores like pigeons on a roof—will have more time to maneuver.

Frankie's at liberty now in \$1000 bail and free once more to go to the barber almost every day for sun-lamp treatments and massages and to change silk shirts the way a hotel changes towels.



Gambler Frank Costello smiles happily as he receives a rousing reception from a group of youngsters when he stepped off the Rikers Island ferry late yesterday.

United Press photo

Frankie only exchanged a few words with the kids. Too bad he didn't have time to tell how he came up the hard way via bootleg booze and gambling and racketeering syndicates and buying political power as you buy candy bars, or marijuana cigarettes if you're hep.

He might have told some of those wonderful stories about good friends like Charles (Lucky) Luciano, who was put into prison and deported to Italy.

He might have told how his dear friend Al Capone gave a dinner for a man he hated one night in a Chicago hotel and after all the pretty speeches Mr. Capone sent for a baseball bat and beat the guest of honor to death—bee-bop-alook—quick and final.

Next thing we know Costello probably will be immortalized by Hollywood on the widest possible screen (in blood-red and black) and Jimmy Cagney or Edward G. Robinson may play Frankie.

Costello would, naturally, do the sound track for who could imitate him saying "I refuse to answer," clear and crisp—why it sends shivers up a girl's spine—when some judge or cop asks him about his business.

N.Y. World-Tele  
5-23-51  
P.3 7th Sp

62-76543-106

ENCLOSURE



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## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. L. V. BOARDMAN

DATE: 7/8/57

FROM : A. ROSEN *R*

Call: 4:50 p.m.

SUBJECT: FRANK COSTELLO  
MISCELLANEOUS INFORMATION CONCERNING

ASAC Simon, New York, called saying that at 2:05 p.m., Paul Williams, U. S. Attorney, Southern District of New York, called the office and indicated there was a story in the Journal American about Frank Costello. It was to the effect that when Costello was shot at recently, some notes in his possession which were obtained by the District Attorney's office, referred to a former Lieutenant of the Guards at the Federal House of Detention where Costello was confined for 16 months.

Tolson —  
Nichols —  
Boardman —  
Belmont —  
Mohr —  
Parsons —  
Rosen —  
Tamm —  
Trotter —  
Nease —  
Tele. Room —  
Holloman —  
Gandy —

cc - Mr. Nichols

EX 105

51 JUL 23 1957

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FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

JUL 8 1957

TELETYPE

Mr. Tolson  
Mr. Nichols  
Mr. Boardman  
Mr. Belmont  
Mr. Mohr  
Mr. Parsons  
Mr. Rosen  
Mr. Tamm  
Mr. Trotter  
Mr. Nease  
Tele. Room  
Mr. Holloman  
Miss Gandy

URGENT 7-8-57 8-34PM SGR

TO DIRECTOR 5

FROM SAC NEW YORK 2P

FRANK COSTELLO-INFO CONCERNING. RE NY CALL TO BUREAU SEVEN-EIGHT-FIFTY SEVEN. ARTICLE NY JOURNAL AMERICAN SEVEN-EIGHT-FIFTYSEVEN STATES THAT AMONG ITEMS FOUND BY NYCPD IN POSSESSION OF FRANK COSTELLO AT TIME OF HIS SHOOTING FIVE-TWO-FIFTY SEVEN WAS NAME AND UNLISTED TELEPHONE NUMBER OF A FORMER LIEUTENANT OF GUARDS AT THE FEDERAL HOUSE OF DETENTION, NY S.F. OSHINSKI. ARTICLE STATES LT. OSHINSKI, TELEPHONE NBR. HOLLIS FIVE SEVEN FOUR EIGHT SEVEN RETIRED FROM FEDERAL SERVICE, APRIL ONE, FIFTY SEVEN AFTER TWENTY FOUR YEARS OF SERVICE AND WAS IN CHARGE OF GUARDS AT THE FEDERAL HOUSE OF DETENTION WHILE COSTELLO WAS AN INMATE WHILE SERVING A FIVE YEAR SENTENCE ON A FEDERAL INCOME TAX CHARGE. OSHINSKI TOLD JOURNAL AMERICAN REPORTER HE HAD NO IDEA HOW COSTELLO GOT HIS NAME AND UNLISTED PHONE NUMBER, THAT HE ONLY HAD ROUTINE CONTACT WITH COSTELLO AND DID NO MORE FOR COSTELLO THAN ANY OTHER PRISONER. WHEN REPORTER ADVISED OSHINSKI THAT HE COULD NOT GET OSHINSKI-S UNLISTED PHONE NUMBER OSHINSKI STATED COSTELLO COULD ONLY HAVE GOTTEN THE NUMBER FROM THE PRISONER.

END PAGE ONE

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EX-110

JUL 19 1957

Mr. Rosen

64 JUL 26 1957

PAGE TWO

SON FILES OR FROM AN INMATE-CLERK.



END AND ACK

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DIS

67C

CC: MR. ROSEN  
AND SUPERVISOR  
INVESTIGATIVE DIVISION

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# FEDERAL BUREAU OF INVESTIGATION

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

WASHINGTON 25, D. C.

In Reply, Please Refer to  
File No.

New York, New York  
July 19, 1957

ST  
BC

FRANK COSTELLO, with aliases:  
Francesco Costaglia, Frank  
Castello, [REDACTED]  
Francesco Saverio, Frank  
Saverio, Frank Stello  
FBI #936217

67D,  
E

3-1  
2-1  
5-1  
9-1  
X-1  
SD

Background

Collier's magazine of April 12, 1947, reflects that when he was married and when he was arrested in New York City, as well as during his examination by a United States Attorney in 1935, Costello claimed he had been born in New York City, exact date not given. However, according to this magazine, in his petition for final naturalization, Costello said he was born January 26, 1891, at Cosenza, Italy. It is reported that Costello stated on February 15, 1947, that he was born January 26, 1896, in Calabria, Italy. In the "New York News" of June 25, 1944, it is stated Costello was born in Calabria, Italy, in 1893. This newspaper indicates his mother's maiden name was Saverio and his father's name was Stello or Castellano.

Costello has stated as a matter of record that he was born January 26, 1893, in Calabria, Italy.

In Collier's magazine of April 12, 1947, it is reflected that in his petition for final naturalization papers, Costello said he had embarked from Naples, Italy, on March 1, 1895, and had arrived in the United States on April 2, 1895. This magazine further indicates Costello was granted his citizenship papers on September 10, 1925. Costello filed his declaration of intention on March 26, 1923, and he gave his residence as 234 East 108th Street, New York City.

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84 NOV 12 1964

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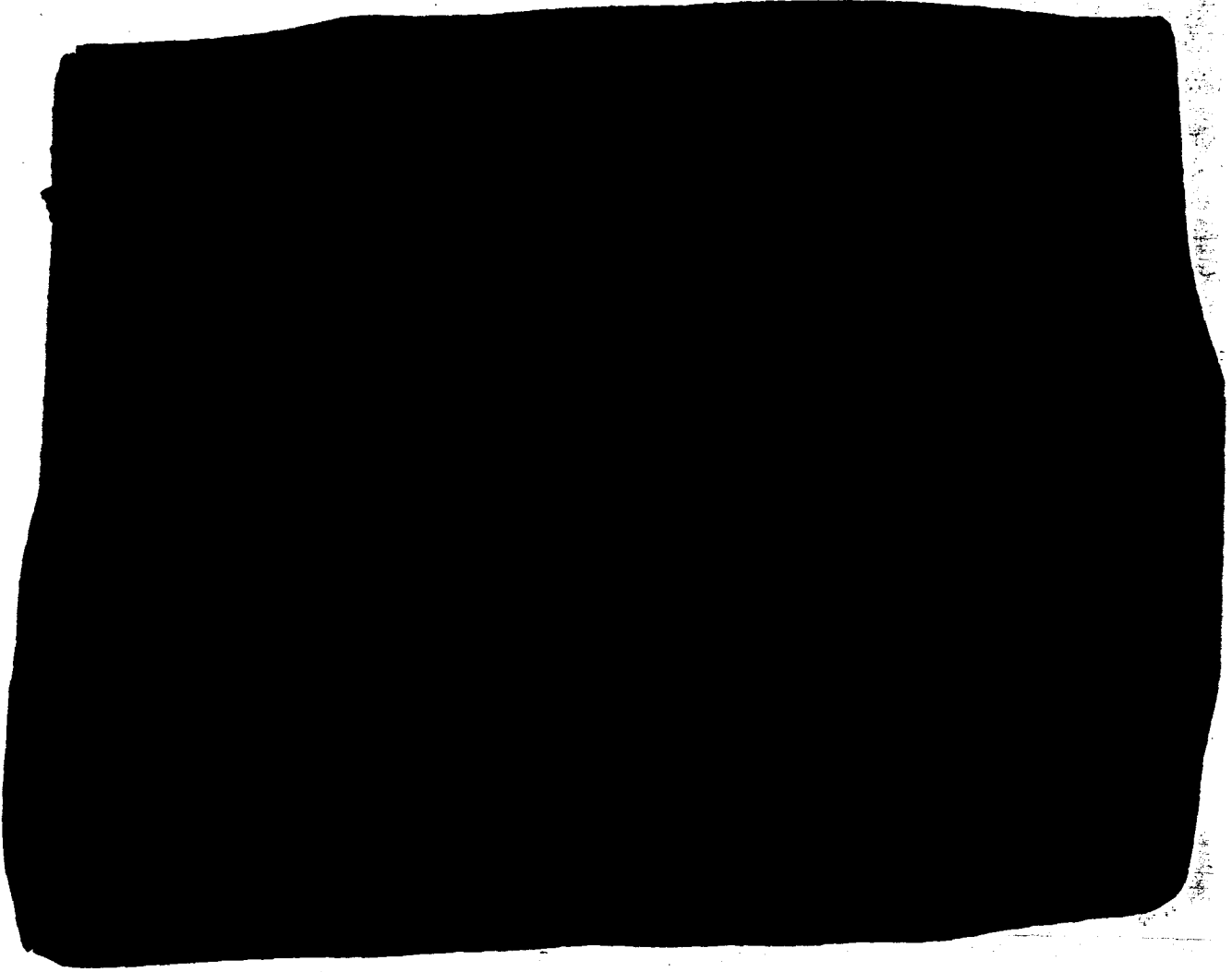
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SEP 16 1957  
138

57 SEP 12 1957  
fyn

EX-131

6-  
67C

This magazine article further shows that at the time of his arrest on March 12, 1915, in New York City, Costello said he was a steamfitter by occupation and that he had lived at 222 East 108th Street, New York City, for twenty-three years. The "New York News" of June 25, 1944, indicates it was pointed out in court at this time that Costello had not worked at the above mentioned occupation for a couple of years, having been engaged in the operation of a saloon.



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The records of the County Register's Office, New York County, reflect that on May 23, 1944, the properties known as 79-89 Wall Street, 148-152 Pearl Street and 114-16 Water Street, New York City, were purchased by the 79 Wall Street Corporation, a real estate holding company with an office at 30 Broad Street, New York City and the record reflected Costello was President and his wife, Loretta B. Costello, Vice President and Secretary. This property is assessed at \$512,000.00 and was purchased subject to a mortgage of \$249,483.00.

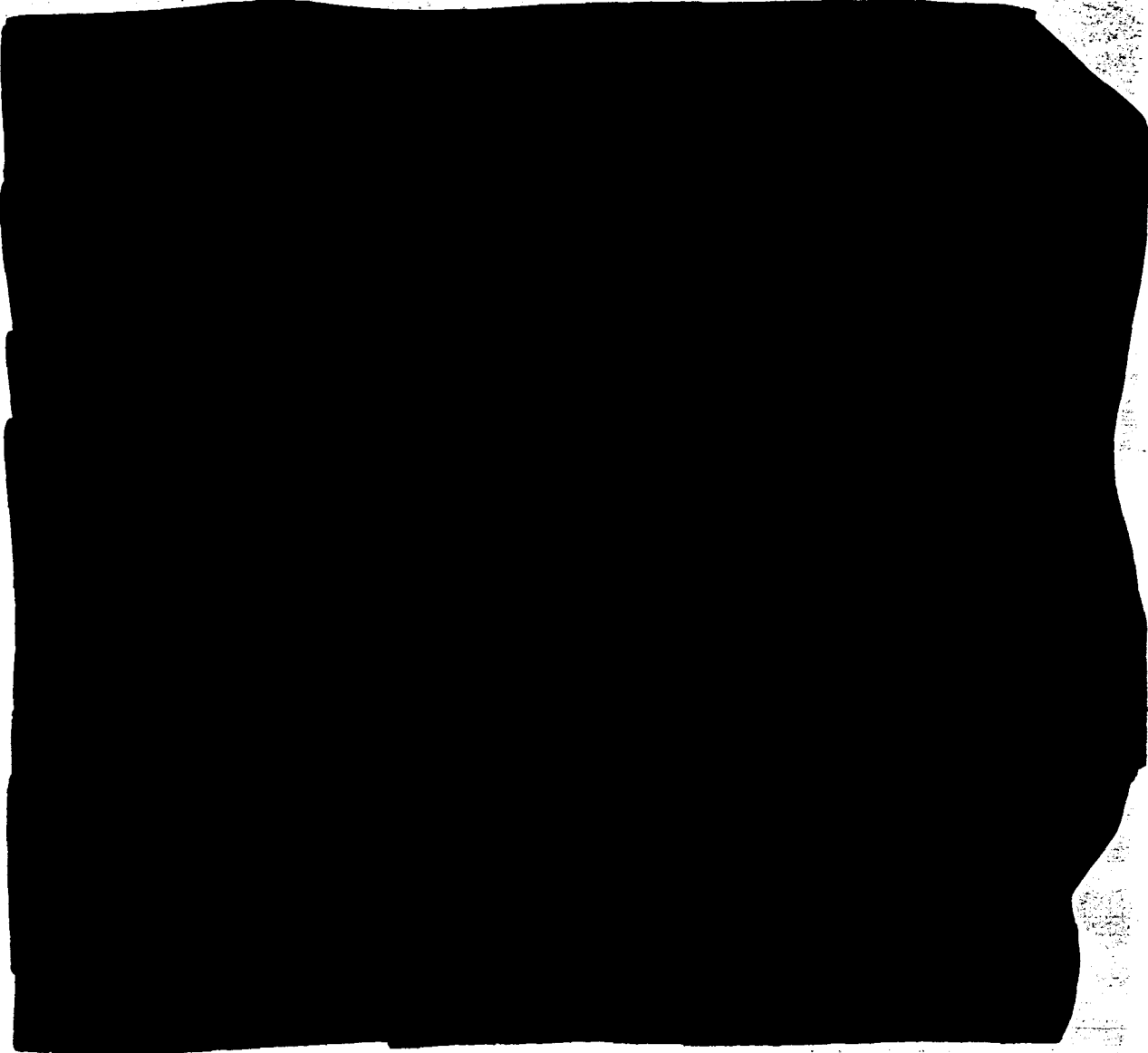
The records of the Secretary of State's Office, State of New York, reflect a certificate of Incorporation for the 79 Wall Street Corporation was filed on April 21, 1944, with the Secretary of State by Blanche Wolf, 30 Broad Street; Harry Shapiro, 261 Broadway and George Wolf, 30 Broad Street; all New York City, who were listed as directors. Blanche Wolf is reported to be the daughter of George Wolf, who is said to be Costello's present attorney.

Collier's magazine of April 12, 1947, indicates Costello pays \$3,600.00 a year rent for an apartment at 115 Central Park West, New York City. Costello has stated this as his residence, having lived there since 1937. Costello has stated he has had the following previous residences:

1931 to 1937 - 241 Central Park West  
New York City  
1930 to 1931 - 65 Central Park West  
New York City  
1927 to 1930 - 585 West End Avenue  
New York City  
Prior to 1937 - Bayside, Long Island,  
New York

The "New York Herald Tribune" of June 22, 1944,

reflects that on May 13, 1944, Costello purchased, in his wife's name, a twelve-room house on Barker's Point Road near Sands Point Road, Sands Point, Long Island, as a summer residence. Costello paid \$15,000.00 in cash for the home and assumed a \$16,000.00 mortgage already on the property.



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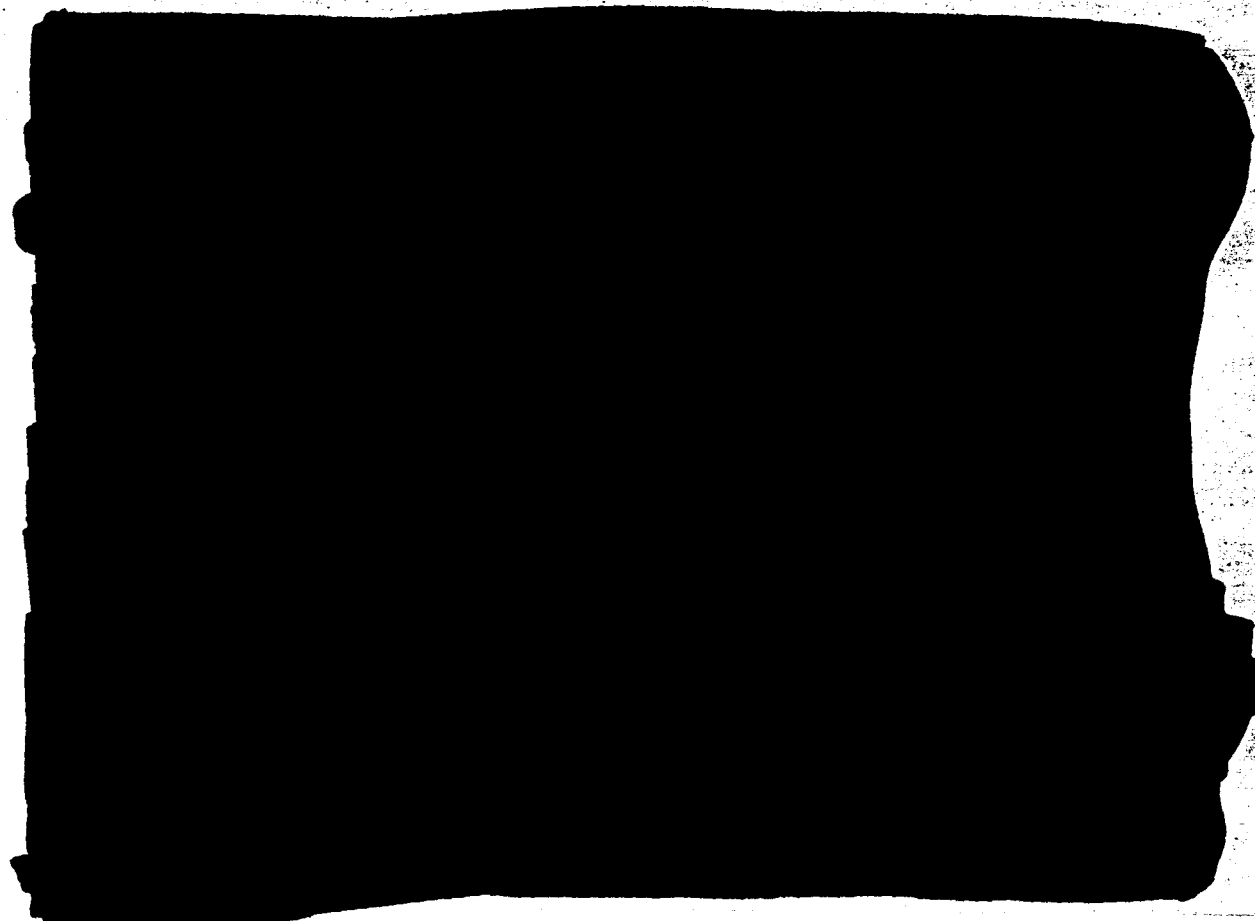
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Various accounts in New York City newspapers reported the following information:

On August 23, 1943, the Democratic Judicial Convention of the First Judicial District, comprising the counties of the Bronx and New York, nominated Magistrate Thomas A. Aurelio as one of their candidates for Justice of the Supreme Court in that district. On the following day, the Republican Judicial Convention for that district made a similar nomination of Magistrate Aurelio. Four days later, District Attorney Frank S. Hogan of New York County publicly disclosed that on the morning after Magistrate Aurelio received the Democratic nomination, he telephoned to Frank



Costello on Costello's private unlisted telephone. The principal part of the conversation was as follows:

Aurelio: Good morning, Francesco, how are you? And thanks for everything.

Costello: Congratulations! It went over perfect. When I tell you something is in the bag, you can rest assured.

Aurelio: It was perfect. Right now I want to assure you of my loyalty for all you have done. It is undying.

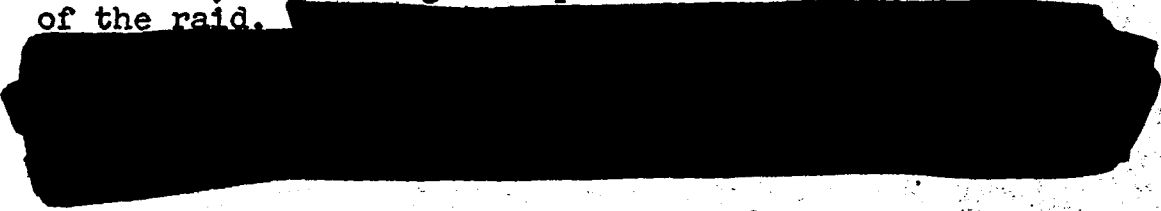
Costello: I know. I'll see you soon.

Aurelio subsequently admitted the above conversation but claimed he did not know that Costello was engaged in illegal activities. Following the revelation that the Democratic nomination of Aurelio had been procured by Costello, the committee on vacancies of both the Democratic and the Republican Parties declared the nomination vacant and attempted to nominate other candidates for the office. Aurelio then appealed to the courts, which upheld his legal right to remain on the ballot, and in November, 1943, Aurelio was elected to the position of Justice of the Supreme Court.

During the course of unsuccessful disbarment proceedings instituted against Aurelio, Costello admitted he had helped Aurelio win the Democratic nomination for the Supreme Court, and also that he had assisted Michael J. Kennedy to win the leadership of Tammany.

Various accounts in New York City newspapers, during the year 1944, reported that Costello and Joe Adonis ran the "Big Hall", a gambling establishment in Cliffside Park, New Jersey, until the day before it was raided by representatives from the Bergen County, New Jersey Prosecutor's

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Office, and that the night before the raid, the paraphernalia was moved, indicating a "tip off" had been given in advance of the raid.



The "New York Herald Tribune" under dates of June 19, 1944, and June 21, 1944, and the "New York Mirror" of June 24, 1944, reflect that on June 14, 1944, Edward Waters, a taxicab driver, turned over to the New York City Police Department the sum of \$27,200.00, which had been left in his cab by a passenger he had driven from the New York Hotel to the Sherry Netherland Hotel in New York City a short time prior to his finding of the money. On June 17, 1944, Costello appeared at the New York City Police Department and laid claim to this money, and he was identified by the taxicab driver as the man who had left the money in his cab. Costello at this time, called himself a real estate operator and said he was carrying the cash to close a deal. The New York City Police Department refused to return the money on the grounds that he had not proved the funds were obtained legally. Newspaper accounts stated that the sum of \$27,200.00 represented the receipts for a day from bookmakers employed by Costello to take bets at the Aqueduct Race Track in New York City. Costello filed suit in the Supreme Court of the State of New York to recover this money, but the government entered a claim for the amount to apply on approximately \$36,000.00 in back taxes owed by Costello. Costello did finally secure the return of this money through court action.


The "New York Times" of February 24, 1945, reflected that on February 23, 1945, Police Commissioner Lewis J. Valentine of New York City named Frank Costello as one of the three individuals in control of bigtime gambling in New York City, the other two being Joe Adonis and Frank Erickson.

According to various newspaper accounts in New York City newspapers, Frank Costello sponsored a dinner at the

Copacabana Night Club, New York City, on January 24, 1949. This dinner was for the benefit of the Salvation Army. Costello had been appointed a Vice-Chairman of the Men's Division of a fund raising campaign of the Salvation Army. It was reported in these newspapers that Costello and his attorney, George Wolf, announced that one hundred and fifty persons each contributed \$100.00 to attend this dinner. It was disclosed by the Salvation Army in advance of the dinner. Reporters and photographers were prevented from entering the dining room at the Copacabana Night Club to see who was attending the dinner; however, George Wolf gave out a partial list of guests.

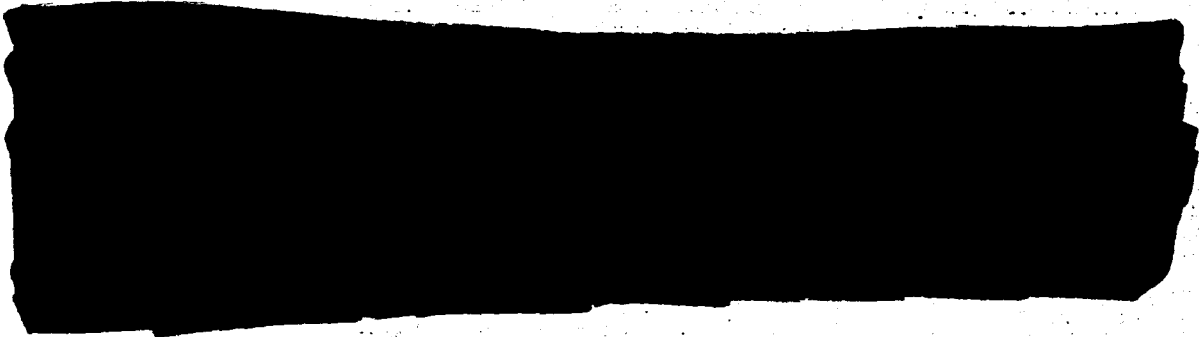
Among the officials present at this dinner, according to the newspaper accounts, were Hugo Roberts, the Borough President of Manhattan, and leader of Tammany Hall; Supreme Court Justice Thomas Aurelio; Supreme Court Justice Morris Eder; Supreme Court Justice Algernon I. Nova; Supreme Court Justice Anthony J. Di Giovanni; Supreme Court Justice Samuel Di Falco; County Judge Thomas Downs; Special Sessions Justice Joseph V. Loscalzo; City Court Justice Louis J. Capozzoli; Commissioner of Elections Carmine G. De Sapio; General Sessions Judge Frank X. Mancuso; Clarence Neal; Representative Arthur Klein, of the 19th Manhattan District; and James E. Branigan, President of the National Democratic Club.

Newspaper accounts also reflected that there were in attendance at this dinner members of the underworld from Chicago, Illinois; Cleveland, Ohio; Newark, New Jersey; and New York City. Among those specifically known to have attended the dinner were Philip Kaster, Costello's partner in New Orleans, Louisiana; Frank Erickson, the outstanding New York City gambler; and Vito Genovese, an outstanding New York City racketeer.

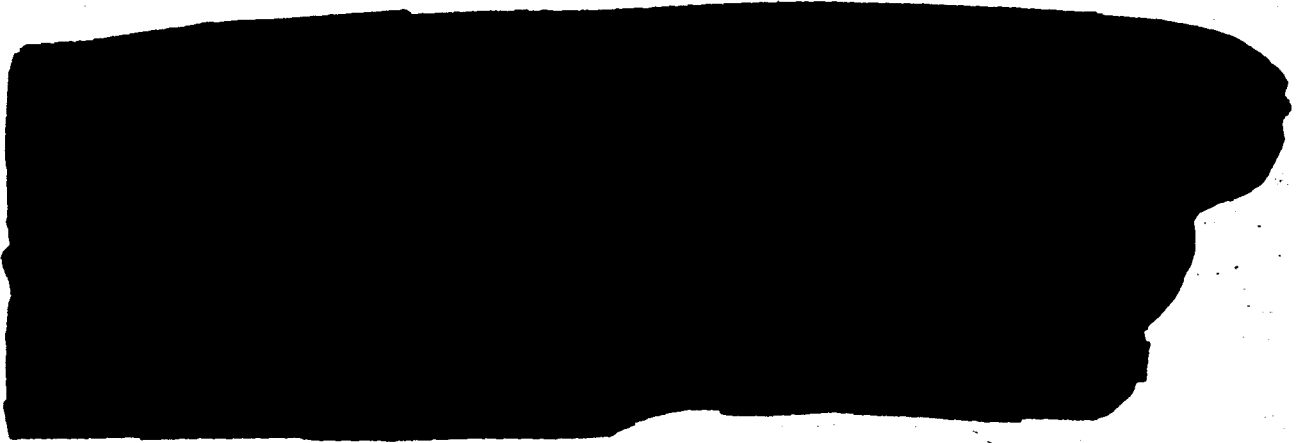


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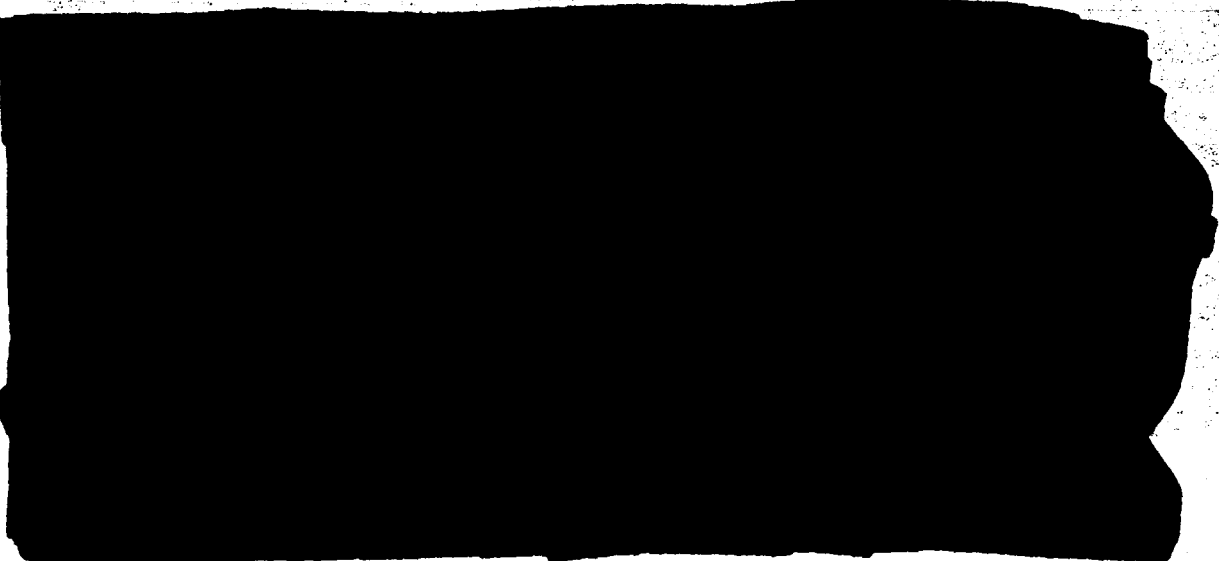
Various newspapers report that the activities of Frank Costello in Nassau County, New York, are centered about the Roosevelt Raceway at Westbury, New York. The races are run by the Long Island Trotting Association and the Old Country Trotting Association. A prominent figure in the latter association is George Morton Levy, attorney for Costello in Nassau County. The newspapers reported further that Costello's money financed the Old Country Trotting Association and that Levy is the go-between.



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On August 23, 1950, in the New York Press, Costello announced through his attorney, George Wolf, the sale of three buildings in the Wall Street area, a thirteen-story office building at 79 Wall Street, and two four-story business buildings located at 87 Wall Street and 114 Wall Street, for a sum of approximately \$500,000. According to Wolf's statement to the press, Costello was the president

of the 79 Wall Street Corporation, and his wife, Loretta Costello, was vice-president, and he further explained that instant sale represented all of Costello's real estate holdings in New York City.




The "World Telegram and Sun" newspaper, on March 15, 1951, identified Joseph Schoenbaum as having been a Treasury man for twenty-five years, and indicated that when his relationship with Costello became known to the Treasury Department, he was called before the Intelligence Unit to face charges which concerned themselves generally with "consorting with criminals and others of ill repute." When questioned concerning his activities with Costello, Schoenbaum refused to answer any questions, and shortly thereafter resigned from the Treasury Department.

On March 31, 1951 the Senate without debate voted contempt citations against Frank Costello, Joe Adonis and Frank Erickson, who had appeared before the Kefauver Committee when it was in session in New York City.


On September 10, 1951, Federal Judge Thomas F. Murphy, Southern District of New York, scheduled trials for Frank Costello, Joe Adonis and Frank Erickson on November

12, 1951, in connection with their indictment for contempt of the United States Senate.

The indictments were based on refusals of the above three individuals to answer questions put to them by the Senate Crime Investigative Committee.



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On March 13, 1951, Costello testified and gave his home address as 115 Central Park West. However, immediately after answering the question as to his residence, his attorney, George Wolf, received permission to read a prepared statement.

After the reading of the statement, Costello admitted that when he was a boy, he was sometimes known by his mother's maiden name, "Saverio", and that he might have used that name in later life. He admitted that in 1915 he was arrested in New York State for possession of a revolver, and that he probably used the name Frank Saverio at that time. Costello then advised that he was unable to recall whether or not he had used any other names.

Halley thereupon produced an application for naturalization on which Costello used the name Francisco Costaglia.

Costello advised that he was at the present time in the real estate business. However, he stated he

did not believe he was in the liquor business at the time he executed his application for naturalization. He testified that individuals by the names of Sausser and Frank Goss had witnessed his naturalization application; however, denied that either of these two individuals were at that time engaged in bootlegging. He stated that he had later bought liquor which was smuggled into the United States from Canada, and that he had sold it illegally and that he had purchased this liquor from a man named Harry Sausser. However, he denied that this Harry Sausser was in any way connected with the Sausser who witnessed his naturalization application. Costello testified that he was engaged in buying liquor imported from Canada in approximately 1927, 1928 or 1929. However, he felt quite certain that it could not have been as early as 1922 or 1923. He stated that to the best of his recollection he did not think it was any earlier than 1927.

Chief Counsel Rudolph Halley pointed out that Costello's first declaration of naturalization was made in 1923, and that the date of the filing of these papers was May 1, 1925. Harry Sausser, whose name appeared on his naturalization papers, gave his employment as being in the real estate business in Huntington, Long Island, and Frank Goss, who also witnessed his naturalization papers, listed his business as being real estate.

Senator Tobey then remarked that if in fact there were a conspiracy between the parties involved to break the laws, and if at a later date Costello were made a citizen, there would be a good possibility of deporting Costello, since he had falsified the records.

Costello then admitted that he had been indicted in 1925 for conspiracy to smuggle liquor into the United States. Mr. Halley established that Goss and Sausser were among 62 co-defendants and that the case against Costello was later dismissed by the late Federal Judge Francis A. Winslow.

It was then brought out that Costello was admitted to citizenship on September 10, 1925. Costello denied that he ever engaged in the business of selling, purchasing



transporting or processing alcoholic beverages within the United States prior to that time. Costello admitted that he had been a bootlegger for some time and that he had operated from an office located at 405 Lexington Avenue, New York City.

Mr Halley then read from a statement of interrogation of Costello in 1947 before the New York State Liquor Authority, in which he testified that he had been engaged in bootlegging from 1923 to 1926. Costello admitted that he had made this statement; however, stated that after thinking it over, to the best of his recollection, he had never engaged in the bootlegging business prior to 1926 or 1927.

Costello also denied that at the time he became a citizen and swore to uphold the Constitution of the United States, he was violating any of the laws of the United States. Costello then refused to answer a direct question as to his current financial position on the grounds that it might incriminate him. He was asked specifically as to his net worth and refused to answer the question.

Costello named the following associates with whom he was connected in the Louisiana Mint Company in New Orleans. He described this company as being a slot machine company and his associates were as follows: Phil Kastel, New Orleans, part owner; Charles Murphy, lawyer and certified public accountant who acted for Costello in New Orleans; Fred Rickerford, part owner; Dudley Geigerman, manager.

Costello then stated that he had been invited to go into the slot machine business in New Orleans in 1935 by the late Governor Huey Long. He stated that Long had approached him to make a survey of New Orleans and determine how many locations could be had, since Long wanted to pass legislation permitting slot machines so that the state could obtain revenue for an old age pension. Costello admitted that the use of slot machines at that time in Louisiana was illegal. Costello then stated that he was "retired" from the slot machine business in New Orleans.

Costello further testified that Phil Kastel, Richardford and Carlos Marcella were all in partnership in the ownership and management of the Beverly Country Club in New Orleans. He said that he held a twenty per cent interest. He refused to answer the question as to whether or not the Beverly Club had a gambling casino attached to it.

Halley then read from another Senate Subcommittee's records before which Costello had testified in April, 1950, at which time Costello stated in answer to the same question, that the Beverly Country Club "just to make it clear; roulette and dice" were played there. He at that time testified that he received \$18,000 in salary in 1950 from the club.

When confronted with his former testimony, Costello stated that his duties with the club were merely to solicit different acts to appear at the club, and act as a good will man.

Costello testified that in 1950, he sold the 79 Wall Street Corporation, at which time he realized a net profit of \$119,756.42. He also admitted that during 1950, his total income was \$168,357.23, plus \$4,500 salary from the Beverly Club. Costello then testified that in connection with another business deal he at two times borrowed \$25,000 from Frank Erickson.

Costello admitted that he was acquainted with W. H. Gallagher, Chairman of the Board of the Pennsylvania Exchange Bank, but denied any knowledge of the fact that Gallagher had made a \$100,000 loan to Erickson.

Costello then admitted that he had received \$60,000 from George Morton Levy for assisting in getting the bookmakers out of Roosevelt Raceway. He stated that the only thing he did to earn this money was to spread propaganda around that bookmakers would be arrested if they appeared at the park.

Costello then admitted that he was friendly with Willie Moretti, a New Jersey gambler, and admitted that Moretti had telephoned him 130 times in 1943 while Moretti

was recuperating from an illness in California.

At the close of the session on this date, Senator O'Connor pointed out that Costello had answered many questions throughout the day and had only refused to answer the question as to his net worth. He pointed out that Costello and his attorney should consider this fact, since it would be necessary to propose a citation for contempt unless Costello saw fit to answer that question on the following day.

Costello continued his testimony on March 14, and at first denied detailed knowledge of the slot machine business conducted in Louisiana by "Dandy Phil Kastel", at which time Chief Counsel Halley read to him wire-tap recordings that showed that Costello was setting a price on the machines.

Halley then asked Costello whether or not he had heard of an individual named James McLaughlin, to which Costello replied he had never heard of anyone by that name. Costello then denied that Irving Sherman had introduced James McLaughlin, who worked for the telephone company, to him. He also denied that McLaughlin had checked his telephone wires at his request and stated he had never given anyone a contract to check his wires. Costello also denied having given anyone any money to check his telephone wires.

Costello admitted that he at one time endorsed a note for \$325,000 for Phil Kastel, in order to assist him in obtaining the Whitely Distributorship in this country. Costello denied that he had ever received anything for endorsing this note from Kastel.

At that point Mr. Halley brought out testimony which Costello in 1939, had given to a Treasury Agent. At that time Costello stated that he had an interest in the Whitely Distillery.

Costello advised that he had a bank account of \$90,000 to \$100,000, but stated that he did not have an opportunity to check his bank account recently and that he

had received his bank statement.

On January 5, 1952, Costello went on trial in the Southern District but the jury could not reach a verdict and retrial was set for January 18, 1952. He was found guilty and sentenced to eighteen months and fined \$5,000 by Judge Ryan.

The "New York World Telegram and Sun", on September 10, 1952, indicated that Attorney General James F. McGranery had decided to institute denaturalization proceedings against Costello. The article further indicated that denaturalization proceedings would be based on the fact that Costello concealed the fact that under the alias of Frank Saverio, he had been convicted of carrying a concealed weapon, and had been sentenced to a year in jail. The article further continued that if Costello obtained his citizenship under false pretences, his citizenship should be immediately revoked and he should be deported.

The "New York Journal American" newspaper, on September 30, 1952, quoted Senator Williams of Delaware as saying that he had written a letter to Attorney General McGranery, requesting that any Justice Department case of denaturalization against Costello be held in abeyance until the Government was certain that all of his tax assessments had been collected, and that he was no longer a necessary witness at trials which may come up in the future concerning former key Government officials.

Senator John J. Williams of Delaware recently charged that Costello had an unpaid charge account with the Internal Revenue Bureau and that Dandy Phil Kastel, Costello's chief lieutenant in New Orleans, had written up as uncollectable the sum of \$315,156.00 for a period of fifteen years by the Internal Revenue Bureau. The Senator disclosed his Louisiana holdings on slot machines and juke boxes, his gambling enterprises and his real estate holdings.

According to the New York Press on April 23, 1953, Costello pleaded not guilty to an indictment charging he evaded more than \$73,000 income taxes. Costello had been brought by car from Milan to New York. Judge John W. Clancy set \$5,000.00 bail and he was remanded to the Federal House of Detention in New York pending Costello's plea to remain in a New York jail claiming he should have been incarcerated in "common jail." Federal Judge Sylvester Ryan denied his plea on May 27, and Costello was returned to Milan, Michigan.

It is noted that upon Costello being sentenced he was first sent to Lewisburg Federal Penitentiary, later transferred to Atlanta Federal Penitentiary for security reasons and finally transferred to the Federal Correctional Institute at Milan, Michigan.


The New York Daily News of October 30, 1953, reflected that Costello was released from Milan, Michigan Federal Correctional Institute on October 29, 1953.

In March, 1952, while Costello was incarcerated as indicated, a Federal Grand Jury in the Southern District of New York, returned a four count indictment charging Costello with the evasion of \$73,437.00 in income taxes during the years 1946, 1947, 1948 and 1949.

The income tax case against Costello was opened in the Southern District of New York on April 6, 1954. On May 13, 1954, a jury returned a verdict of guilty with regard to three of the four counts of the indictment against Costello.

On May 17, 1954, Costello appeared before the Honorable Judge John F. X. McGohey and received a sentence of five years plus a \$10,000.00 fine on each of the three counts of the indictment. The sentences were ordered to run concurrently and his total fine was \$30,000.00 and Judge McGohey assessed against Costello the cost of the prosecution. Costello on that same date was remanded to the custody of the United States Marshal, but subsequently was released on \$50,000.00 bail.

After appealing his conviction to the United States Supreme Court and losing that appeal, Costello surrendered to the United States Marshal, Southern District of New York, on May 14, 1956, to commence serving his five year sentence.



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In September, 1956, a denaturalization proceeding was brought against Costello in the Southern District of New York before the Honorable Judge Edmund L. Palmieri. The New York Daily News of September 28, 1956, reflected that on the previous day, Judge Palmieri repeatedly upheld objections on behalf of Costello during the evidence being submitted by the Government on the basis that this evidence was obtained from the use of wire taps.

It is noted that this evidence pertained to Costello's bootlegging activities in 1925, and Assistant United States Attorney Alfred P. O'Hara protested vigorously that the Government had no knowledge that evidence in Costello's bootlegging indictment in 1925 stemmed from wire taps.

The New York Journal American of September 28, 1956, reflected that Judge Palmieri on that date dismissed the Government's denaturalization proceedings against Costello, without prejudice, stated that he took this action because the Government's case rested on documents containing references to wire taps.

The New York Journal American of March 11, 1957, reflected that Costello had been ordered released on bail by the United States Supreme Court pending an appeal to the United States Supreme Court in which Costello contended that his income tax sentence was illegal since he was sentenced under the wrong section of the Federal Code. The court set bail at \$25,000.00.

The New York Daily News of March 12, 1957, reflected that Costello made \$25,000.00 bail the previous day and had been released from custody.

The New York Daily News of May 3, 1957, reflected that at approximately 11:00 p.m. the previous night May 2, 1957, a gunman fired one shot which struck Costello at the left ear, burrowed under the scalp, and part way around the back of his head, and emerged close to the right ear. Examination, however, showed the bullet had not pierced Costello's skull. The gunman made his escape in a black Cadillac Sedan driven by an accomplice. The above attack was made in the foyer of Costello's residence at 115 Central Park West.

The New York Post on May 8, 1957, contained an article reflecting that on May 7, 1957, Costello had been brought before a New York County Grand Jury and had refused to answer questions concerning his assault and particularly papers found by detectives in his coat shortly after the assault while Costello was receiving emergency treatment.

The article reflected that General Sessions Judge Shurman directed Costello to answer questions before the Grand Jury and after Costello refused, sentenced Costello to thirty days in the workhouse.

One paper found on Costello which was shown to him and which he was asked to explain contained the following

Gross Casino Win as of 4/26/57	_____	651284.00
Casino win less markers	434695.00	
Seat wins	62844.00	62846
Markers	153745.00	
	651284.00	651324

Mike @ \$150 per week	_____	600.00
Jake @ \$100 per week	_____	400.00
C	_____	400.00
Arthur Murray Dancer.	_____	100.00



Notre Dame Glee Club tickets	125.00
City of Hope tickets bought by Mickey	
Colahan from table	26.00
	<u>1651.00</u>

L = 30000.00  
H = 9000.00

Ave. slots	2618--
Ave. (illegible)	<u>18114--</u>
	20732

The New York World Telegram on May 23, 1957, reflected that on the previous day a Supreme Court Judge ruled that Costello was entitled to bail pending his appeal for contempt. Costello has served 15 days of the 30 day sentence and was released on May 22, 1957.

The New York Post of June 12, 1957, contained an article reflecting that William Sinnott, a member of the Nevada Gaming Control Board, stated that the mysterious memorandum about gross casino wins found in Costello's pocket referred to the winnings for a 24 day period ending April 26, 1957, at the multi-million dollar Tropicana Motel, Las Vegas, Nevada. Sinnott stated that the evidence uncovered by the State Gaming Board and two investigators for the New York District Attorney's Office "primarily indicates" that "Costello" operating through a front man or men, has a financial interest "in the Tropicana".

The New York Times of May 28, 1957, reflected that the U.S. Supreme Court affirmed the sentence received by Costello in an income tax case.


The New York Times on June 15, 1957, reflected that at a hearing before Federal Judge McGohey to set aside income tax evasion convictions, Edward Bennett Williams, Attorney for Costello, contended that the Government's evidence used to convict Costello was obtained by the use of wire taps. The Government contended that no Federal agent had participated in any wire taps. In view of the fact that

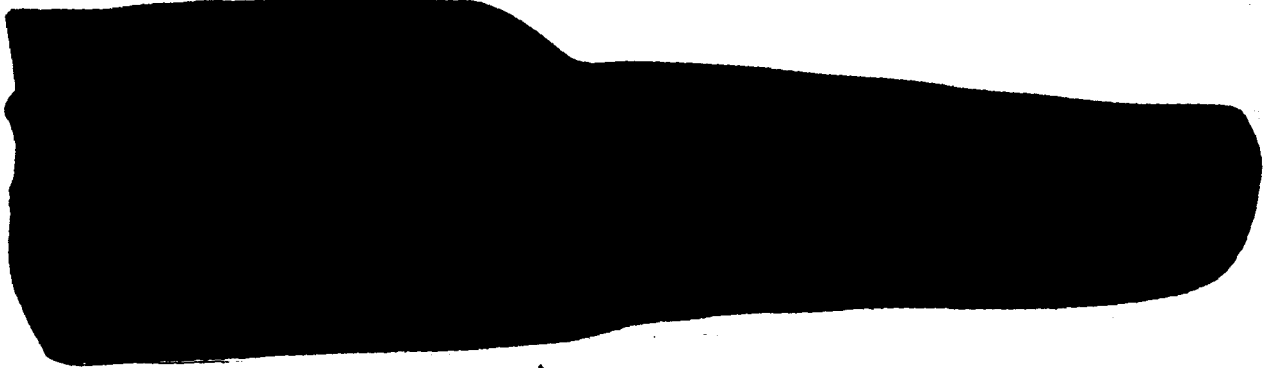
Edward Bennett Williams represented a client who was to come to trial the following Monday at Washington, D. C., Judge McGohey ruled that the Costello hearing would go over to the fall term during which time Costello continues on \$25,000.00 bail.

Description

Costello:

The following is a description of Frank

Name	Frank Costello
Aliases	Francisco Costaglia, Frank Saverio, Francesco Saverio,  Frank Castello, Frank Stello
Age	Born 1893, Calabria, Italy
Height	5'7"
Weight	170 pounds
Build	Medium
Hair	Dark Chestnut
Eyes	Dark Brown
Complexion	Medium
Residences	115 Central Park West New York, New York (city address) Barkers Point Road Sands Point, Long Island (country address)
Citizen	Naturalized
Marital Status	Married



<u>Contributor of Fingerprints</u>	<u>Name and Number</u>	<u>Arrested or Received</u>	<u>Charge</u>	<u>Disposition</u>
As Frank Costello Manhattan May 31, 1935, conspiracy (Federal case) Deputy United States Marshal (per information received from New York, New York).				
Federal Deten- tion Head- quarters New York New York	Frank Costello #28331	10/9/39	conspired to evade payment of taxes	10/10/39 bail
United States Marshal New York New York	Frank Costello #C-23-463	10/9/39	evading payment of taxes and Section 1014 USKS to Southern District of Louisiana	released on bail 10/10/39 complain dismissed 11/8/39
United States Marshal New York New York	Frank Costello #C-1760-51	7/25/51	contempt	pending
Federal Deten- tion Head- quarters New York City New York	Frank Costello #64136	8/15/52	refusing to answer Senate Committee	1 year 6 months 8/22/52 United States Penitentiary Lewisburg
United States Penitentiary Lewisburg Pennsylvania	Frank Costello #20125	8/22/52	refusing to answer certain questions before Senate Sub-Committee investigating crime	1 year 6 months 10/9/52 transferr to Atlant
United States Penitentiary Atlanta Georgia	Frank Costello #72866	10/10/52 in trans- fer from United States Penitentiary Northeast	investigation crime contempt before Senate Sub-Committee	18 months

<u>Contributor of Fingerprints</u>	<u>Name and Number</u>	<u>Arrested or Received</u>	<u>Charge</u>	<u>Disposition</u>
Federal Correctional Institution Milan Michigan	Frank Costello #16433	12/26/52 transferr- ed from Atlanta	contempt Senate Sub-Committee	18 months 10/29/53 released or minimum expiration on charge of contempt (Before Senate Sub- Committee Investigati Crime)
Dauphin County Prison Harrisburg Pennsylvania	Frank Costello #DC.PD-5585	4/21/53	In transit	
Federal Detention Headquarters NY, NY	Frank Costello #H-2884	5/17/54	Evasion of income taxes	5 yrs Fine \$30,000.00 Com
Federal Detention Headquarters New York City New York	Frank Costello #H-2884	5/14/56	Evasion Income Taxes	5 years
Workhouse Rikers Island New York	Frank Costello #452483	5/8/57	Contempt Court	30 days

- \* Frank Costello New York, New York, May 6, 1908, assault and robbery; May 8, 1908 discharged
- \* Frank Saverio, New York, New York, March 12, 1915 revolver; April 5, 1915, Penitentiary
- \* Frank Costello #-- United States Marshal New York, New York, April 8, 1952, contempt of congress; April 8, 1952, fined \$1,000 each on counts 1, 3, 4, 5 and 8; sentenced 6 months on counts 5, 6, 7, to run concurrently; 1 year on counts 8, 9, 10 and 11 to run concurrently and to be served after actual completion of the 6 months on counts 5, 6, and 7; 30 days each on counts 1, 3 and 4 to be served concurrently with counts 5, 6 and 7; fined \$100 on counts 6, 7, 9, 10 and 11, but remitted.

#16433 10/29/53 rel on Min. Exp.

Notations indicated by \* ARE NOT BASED ON FINGERPRINTS IN FBI files. The notations are based on data furnished this Bureau concerning individuals of the same or similar names or aliases and ARE LISTED ONLY AS INVESTIGATIVE LEADS.

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 10/2/57

FROM : SAC, SALT LAKE CITY (62-2016)

SUBJECT: FRANK COSTELLO  
INFORMATION CONCERNING

Re mylet dated 8/1/57.

The Las Vegas Sun and Las Vegas Review Journal daily newspapers carried articles on 9/26/57, reporting T. M. SCHIMBERG, President, Tropicana Hotel, Las Vegas, Nevada, informed the Nevada State Tax Commission the Hotel had obtained a loan from the First National Bank of Nevada in the amount of \$320,000.00 "to remove the interest of Eastern gambler PHIL (DANDY) KASTEL." The money will be placed in an irrevocable trust to pay off KASTEL as his installments become due over an eight-year period. For tax reasons, KASTEL has refused immediate payment in a lump sum.

The articles continue, "The Commission last spring had ordered a divorce between the casino and KASTEL after it learned that New York Racketeer FRANK COSTELLO was receiving confidential data on Tropicana gaming profits."

"The connection came to light during the investigation of an attempt on COSTELLO's life when a memo was found in his pocket. COSTELLO has been a partner of KASTEL'S."

- ② - Bureau
- 3 - Salt Lake City (62-2016)

(5)

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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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**UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.**

7-20-64

The following FBI record, NUMBER **936 217**, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
Police Department New York New York	Frank Costello #B-28412	May 31 1935	conspiracy	June 3 1937 dismissed
	As Frank Costello, Manhattan (Federal case) Deputy United States Marshal (per information received from New York New York)	May 31 1935	conspiracy	
Federal Detention Headquarters New York New York	Frank Costello #23331	October 9 1939	conspired to evade payment of taxes	October 10 193 bail
United States Marshal New York New York	Frank Costello #C-23-463	October 9 1939	evading payment of taxes and Section 1014 USKS to Southern District of Louisiana	released on ba October 10 193 complaint dismissed November 8 193
United States Marshal New York New York	Frank Costello #C-1760-51	July 25 1951	contempt	pending
Federal Detention Headquarters New York City New York	Frank Costello #64136	August 15 1952	refusing to answer Senate Committee	1 year 6 months August 22 1952 United States Penitentiary Lewisburg
United States Penitentiary Lewisburg Pennsylvania	Frank Costello #20125	August 22 1952	refusing to answer certain questions before Senate Sub-Committee investigating crime	1 year 6 months October 9 1952 transferred to Atlanta
United States Penitentiary Atlanta Georgia	Frank Costello #72866	October 10 1952	Investigation Crime Contempt in before Senate Sub-Committee from United States Penitentiary Northeast	18 months

Since neither fingerprints nor an identifying number which is indexed in our files accompanied your request, FBI cannot guarantee, in any manner that this material concerns the individual in whom you are interested.

Notations indicated by \* ARE NOT BASED ON FINGERPRINTS IN FBI files. The notations are based on data furnished this Bureau concerning individuals of the same or similar names or aliases and ARE LISTED ONLY AS INVESTIGATIVE LEADS.

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84 NOV 12 1964

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

97-20-61H  
J. Edgar Hoover  
Director

2 The following FBI record, NUMBER 936 217, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
Federal Correctional Institution Milan Michigan	Frank Costello #16433	December 26, 1952 transferred from Atlanta	contempt Senate Sub-Committee	18 months October 29, 1955 released on minimum expiration on charge of contempt (Before Senate Sub-Committee Investigating Crime) see no
Dauphin County Prison Harrisburg Pennsylvania	Frank Costello #DC.PD-5585	April 21, 1953	In transit	
Federal Detention Headquarters NY NY	Frank Costello #H-2824	May 17 1954	Evasion of income taxes	5 yrs fine \$25,000.00-60
Federal Detention Headquarters New York City New York	Frank Costello #H-2824	May 14, 1955	Evasion Income Taxes	5 years
Workhouse New York	Frank Costello			10 days
United States Penitentiary Lewisburg Pennsylvania	Frank Costello #25504-NE	October 21 1958	income tax evasion and filing fraudulent returns	5 years for income tax evasion. Sentence inoperative 1282 days
Since neither fingerprints nor an identifying number which is indexed in our files accompanied your request, FBI cannot guarantee in any manner that this material concerns the individual in whom you are interested.				October 21 1958 transferred to Federal Detention Headquarters New York New York November 21 1958

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

7-20-61H

*J. Edgar Hoover*  
Director

The following FBI record, NUMBER 936 217, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
USF Atlanta Ga	Frank Costello #80973	1-30-59 trans from #6353-NY FDH NYC NY	Income Tax Evasion and Filing Fraudulent Returns	
Alien Registration	Frank Costello #A12 143 440 (ATL)	alien registration fingerprinted March 31, 1961		

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4  
UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

7-20-61H

J. Edgar Hoover  
Director.

The following FBI record, NUMBER 936 217, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
	Frank Costello New York	New York May 6, 1908	assault and robbery; May 3, 1908 discharged	
	Frank Saverio New York	New York March 12, 1915	revolver; April 5, 1915 Penitentiary	
	Frank Costello #1 - United States Marshal New York	New York April 3, 1952	contempt of congress; April 8, 1952 fined \$1,000 each on counts 1, 3, 4, 5 and 8; sentenced 6 months on counts 5, 6, 7 to run concurrently; 1 year on counts 8, 9, 10 and 11 to run concurrently and to be served after actual completion of the 6 months on counts 5, 6 and 7; 30 days each on counts 1, 3 and 4 to be served concurrently with counts 5, 6 and 7; fined \$100 on counts 6, 7, 9, 10 and 11, but permitted	
	#16433	October 29, 1933	released on minimum expiration	
<p>Since neither fingerprints nor an identifying number which is indexed in our files accompanied your request, FBI cannot guarantee in any manner that this material concerns the individual in whom you are interested.</p>				

Notations indicated by \* ARE NOT BASED ON FINGERPRINTS IN FBI files. The notations are based on data furnished this Bureau concerning individuals of the same or similar names or aliases and ARE LISTED ONLY INVESTIGATIVE LEADS.

5

J. Edgar Hoover  
Director

The following FBI record, NUMBER 936 217, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
	<b>DESCRIPTION:</b> Race: Caucasian Sex: Male Height: 68 1/2 inches Weight: 165 pounds Hair: Grey Eyes: Hazel Complexion: Ruddy Build: Medium Scars and marks: Large nose; speaks with a drawl Fingerprint file shows date and place of birth as: January 26, 1896; January 26, 1891; January 26, 1893; January 26, 1894 New York City; LaRopla, Calabria, Cosenza, Italy; Citizenship: United States of America Residence: 115 Central Park West New York, New York now inmate at United States Penitentiary Atlanta, Georgia in 1961 Occupation: retired			
	Aliases: <u>Al Howard; Frank Sevarria; Francisco Saverio;</u> <u>Francesco Saverio; Murray H Hoffman; Francesco</u> <u>Castiglia; Francisco Castaglia; Frank Francesco</u> <u>Saverio, John Capsota</u>			

Since neither fingerprints nor an identifying number which is indexed in our files accompanied your request, FBI cannot guarantee in any manner that this material concerns the individual in whom you are interested.

Information shown on this Identification Record represents data furnished FBI by fingerprint contributors. Where final disposition is not shown or further explanation of charge is desired, communicate with agency contributing those fingerprints.  
Notations indicated by \* are NOT based on fingerprints in FBI files but are listed only as investigative leads as being possibly identical with subject of this record.

5

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON 25, D. C.

100-20-514  
J. Edgar Hoover  
Director

1-Bureau

The following FBI record, NUMBER **936 217**, is furnished FOR OFFICIAL USE ONLY.

CONTRIBUTOR OF FINGERPRINTS	NAME AND NUMBER	ARRESTED OR RECEIVED	CHARGE	DISPOSITION
Federal Bureau of Investigation New York New York	Frank Costello #--	May 31, 1935	conspiracy	Deputy United States Marshal
	WELL KNOWN GANGSTERS AND RACKETEERS.			
	#B-38412 FRANK COSTELLO.			
	MODUS OPERANDI: Resides at 24 Central Park West, New York City, is one of the higher-ups in the slot machine racket and is, generally speaking, a racketeer. During the prohibition era he was involved in bootlegging and liquor deals.			
	(Information received from Bureau Office, New York New York, October 21, 1935, file #12-29950.)			
	FLASH BY BUREAU: Frank Costello If any information or inquiry received, notify Bureau Field Division New York their file #92-649, per information received December 5, 1957. FLASH CANCELLED information received Bureau Field Division New York November 17, 1958			
	Since neither fingerprints nor an identifying number which is indexed in our files accompanied your request, FBI cannot guarantee in any manner that this material concerns the individual in whom you are interested.			
THIS PAGE SHOULD NOT BE DISSEMINATED OUTSIDE FEDERAL BUREAU OF INVESTIGATION.				

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Tolson ☒  
 DeLoach ☒  
 Mohr ☒  
 Bishop ☒  
 Casper ☒  
 Callahan ☒  
 Conrad ☒  
 Felt ☒  
 Gale ☒  
 Rosen ☒  
 Sullivan ☒  
 Tavel ☒  
 Trotter ☒  
 Tele. Room ☒  
 Holmes ☒  
 Gandy ☒

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059A

GENOVESE 2/14 WA

URGENT

2ND LD 039A

WASHINGTON (UPI) --VITO GENOVESE, THE MAJOR UNDERWORLD FIGURE IN THE UNITED STATES AND REPUTED LEADER OF THE MAFIA, DIED IN A FEDERAL PRISON TODAY. HE WAS 71.

GENOVESE, DIED AT 2:30 A.M. EST OF CONGESTED HEART FAILURE AT THE MEDICAL CENTER FOR FEDERAL PRISONERS IN SPRINGFIELD, MO., THE FEDERAL BUREAU OF PRISONS ANNOUNCED. HE WAS SERVING A 15-YEAR NARCOTICS SMUGGLING SENTENCE.

GENOVESE IS REPUTED TO HAVE CONVENED THE NOTORIOUS APALACHIAN, N.Y. MEETING OF MAFIA MOBSTERS NOV. 14, 1957, TO ANNOUNCE HE WAS TAKING OVER THE COSA NOSTRA.

HE IS ALLEGED TO HAVE SUBSEQUENTLY ORDERED THE UNSUCCESSFUL MURDER ATTEMPT ON FRANK COSTELLO, SINCE DEPORTED, AND THE KILLING OF SYNDICATE EXECUTIONER ALBERT ANASTASYA IN A NEW YORK CITY BARBERSHOP.

0-MORE  
JJ727AES

Memo Gale to  
 DeLoach 2-14-69  
 [REDACTED]

b7C

Was Costello ever  
 deported?

ENCLOSURE

62-76543-129

16 FEB 18 1969

Tolson \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Bishop \_\_\_\_\_  
 Casper \_\_\_\_\_  
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 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

A

GENOVESE 2/14 WA

1ST AD 2ND LD GENOVESE WASHN 059A X X X BARBERSHOP.

GENOVESE SERVED THE EARLY YEARS OF HIS SENTENCE AT THE FEDERAL PENITENTIARY IN ATLANTA, BUT LIKE ALL MEMBERS OF THE MAFIA WAS SHIFTED FREQUENTLY WITHIN THE FEDERAL PRISON SYSTEMS TO PREVENT HIM FROM BUILDING A POWER BASE.

STILL, GENOVESE WAS SAID TO HAVE MAINTAINED CONTROL OF HIS NEW YORK DIVISION -- CALLED A "COSA NOSTRA FAMILY" -- AND THE ENTIRE ORGANIZATION FROM BEHIND PRISON BARS.

HE WAS TRANSFERRED FROM ATLANTA TO LEAVENWORTH, KAN. AND SPENT PART OF 1966 AT THE SPRINGFIELD CENTER FOR TREATMENT OF A URINARY TRACT INFECTION.

UNIDENTIFIED MEMBERS OF HIS FAMILY WERE AT HIS BEDSIDE WHEN HE LAY IN A COMMA THROUGHOUT THURSDAY.

GENOVESE'S REPUTED HEIRS TO THE NEW YORK "FAMILY" ARE GERARDO "JERRY" CATENA OF NEWARK, N.J., AND TOMMY EBOLI, ALSO KNOWN AS TOMMY RYAN, OF NEW YORK CITY.

GENOVESE, CALLED "KING OF THE RACKETEERS" BY FORMER GOV. THOMAS E. DEWEY OF NEW YORK, SUCCEEDED CHARLES "LUCKY" LUCIANO, WAS DEPORTED TO HIS NATIVE ITALY AFTER SERVING TIME FOR WHITE SLAVERY -- COMPULSORY PROSTITUTION.

GENOVESE WAS SENTENCED APRIL 17, 1959, IN U.S. DISTRICT COURT IN NEW YORK ALONG WITH 14 OTHERS INDICTED IN AN INTERNATIONAL NARCOTIC SMUGGLING RING. HE WAS FINED \$20,000 AND SENTENCED TO 15 YEARS WITHOUT PROBATION.

IN 1960, THE SENATE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN LABOR OR MANAGEMENT REPORTED GENOVESE HAD AMASSED A FORTUNE OF \$30 MILLION. A FEDERAL PRISONER MAY CONSERVE HIS FORTUNE OR PUT IT IN TRUST DURING HIS INCARCERATION.

GENOVESE AND CATENA WERE IDENTIFIED BY IMPRISONED INFORMER JOSEPH VALACHI AS TWO OF THE 12 "COMMISSIONERS" WHO RUN ORGANIZED CRIME OPERATIONS IN THE UNITED STATES FOR THE COSA NOSTRA. OF THE 12, FIVE WERE FROM NEW YORK WHERE GENOVESE WAS THE MOST POWERFUL. VALACHI, NOW IN LA TUNA, TEX. PRISON, TURNED INFORMER AFTER KILLING A FELLOW INMATE AT THE FEDERAL PENITENTIARY IN ATLANTA IN 1962. VALACHI SAID THE MAN HAD BEEN DESIGNATED BY GENOVESE TO KILL HIM.

SEN. JOHN L. MCCLELLAN, CHAIRMAN OF THE SENATE INVESTIGATING COMMITTEE, REPORTED IN 1960 THAT GENOVESE "ACTIVELY COLLABORATED WITH THE ITALIAN GOVERNMENT" AFTER RECEIVING HIS U. S. CITIZENSHIP AND WHILE THE UNITED STATES WAS AT WAR WITH ITALY IN WORLD WAR II.

THE MCCLELLAN COMMITTEE WAS TOLD THAT GENOVESE FLED THIS COUNTRY TO ESCAPE ARREST ON A MURDER INDICTMENT SHORTLY AFTER HE WAS NATURALIZED IN 1936. WHILE IN ITALY, HE WORKED AS AN UNOFFICIAL ADVISER TO THE AMERICAN MILITARY GOVERNMENT BUT ALSO SUPPORTED PREMIER BENITO MUSSOLINI AND THE FASCIST PARTY. HE WAS RETURNED HERE AFTER THE WAR BUT NEVER STOOD TRIAL ON THE MURDER INDICTMENT.

GENOVESE WAS BORN NOV. 21, 1897, IN RESIGLIANO, ITALY. HE ENTERED THE UNITED STATES AS A PERMANENT RESIDENT MAY 23, 1913 AT NEW YORK CITY AND WAS NATURALIZED NOV. 25, 1936 IN U. S. DISTRICT COURT THERE.

THE GOVERNMENT PETITIONED TO TAKE AWAY HIS CITIZENSHIP IN 1952 AFTER FBI FILES SHOWED HE HAD FAILED TO DISCLOSE SEVERAL ARRESTS BETWEEN 1917 AND THE DATE OF HIS NATURALIZATION. THIS WAS DEEMED NOT TO BE A DEPORTABLE OFFENSE AND HE WAS ALLOWED TO REMAIN AFTER HIS CITIZENSHIP WAS REVOKED ON AUG. 16, 1955.

IF HE HAD LIVED TO SERVE OUT HIS 15-YEAR SENTENCE, HE WOULD HAVE BEEN AUTOMATICALLY DEPORTED FOR A CRIME OF MORAL TURPITUDE.

GENOVESE'S INTEREST WAS SAID TO INCLUDE UNION LABOR, WATERFRONT ACTIVITIES -- COMPLETE CONTROL OF THE NEW YORK CITY PORT AREA -- HORSE RACING, IMPORT-EXPORT LINES, NEON SIGNS, PAPER AND WASTE PAPER, REAL ESTATE, RESTAURANTS AND BARS AND STEEL STRAPPING.

INCLUDES PREVIOUS

-----  
IN 3RD PGH ABOVE READ IT: APALACHIN STED AS SENT  
JJ&PA74OAES..

UNITED STATES GOVERNMENT

# Memorandum

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Mohr \_\_\_\_\_  
Bishop \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

TO : Mr. DeLoach

DATE: February 14, 1969

FROM : J. H. Gale

SUBJECT: FRANK COSTELLO

018 In reporting the death of La Cosa Nostra leader, Vito Genovese today, the "United Press International" mentioned Frank Costello, the La Cosa Nostra leader deposed by Genovese, as having been deported. In connection with this report, the Director inquired as to whether or not Costello had been deported.

Costello was ordered deported by the Immigration and Naturalization Service (INS) in 1961, and the order of deportation was upheld successively by the Board of Immigration Appeals and the United States Court of Appeals, 2nd Circuit, but these decisions were reversed by the United States Supreme Court on February 17, 1964. This resulted in the cancellation of the deportation order.

Costello continues residence in an apartment at 115 Central Park West, New York City, with a summer residence at 5 Barker's Point Road, Sands Point, Long Island, New York.

67D

**ACTION:**

For information as to the present status and location of Frank Costello.

ENCLOSURE

1 - Mr. DeLoach  
1 - Mr. Bishop  
1 - Mr. Gale

79  
b7C  
COPY SENT TO MR. TOLSON

62-76543-124  
16 FEB 18 1969